FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 2229/2251

DATE FILMED 1/25/89 CAMERA NO. 3

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
North Dakota State)
Republican Party,)
People for Mark Andrews,)
Bert B. Rand,)
Marion E. Harrison,) MUR 2229
Fritz Giesecke,)
W. T. Butcher,)
Peter Lind,)
and)
John Doe and Richard Roe,)
agents on their behalf.)

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RECEIVED
GENERAL COUNSEL

COMPLAINT

Introduction

This Complaint is filed in order to initiate an immediate investigation of illegal spending practices by Respondents, the North Dakota State Republican Party, and its agents, including Bert B. Rand, Marion E. Harrison, Fritz Giesecke, W.T. Butcher, Peter Lind, and John Doe and Richard Roe, unknown agents acting on their behalf; and People for Mark Andrews, the principal campaign committee for Senator Mark Andrews. As the facts below suggest, Respondents have apparently disregarded the contribution and/or expenditure limitations and reporting requirements of the Federal Election Campaign Act of 1971, as amended ("FECA"), 2 U.S.C. §§ 431 et seq., in its and its agents' ongoing efforts to secure the defeat of the Democratic nominees in the upcoming general election.

The events surrounding this Complaint involve an

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investigation into the backgrounds of a potential candidate for the Democratic Senate seat in North Dakota and of the eventual Democratic Senate nominee from that state. The investigation and subsequent distribution of materials related to the investigation are actions clearly designed to influence voters to cast their ballots against the Democratic Party's nominee for the Senate and the Democratic Party's nominee for the House of Representatives. There is, however, no indication that the parties involved intend to do as the law requires: account for the money so spent under appropriate FECA limitations applicable to general election spending.

The election is near, and as the weeks draw closer to election day, there is no indication that the activities in question will end. Complainant urges the Commission to act with all appropriate speed. Only prompt agency attention can resolve this issue satisfactorily.

I. Facts

This Complaint concerns unseemly investigations by private investigators into the activities of a United States Congressman and a candidate for the United States Senate, and the anonymous distribution of materials gathered as a result of those investigations. Those involved in this surreptitious enterprise have refused to respond candidly to inquiries regarding the investigations and their participation in them. Complainant is, therefore, unable to present all the facts

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underlying this Complaint. Those facts he has been able to gather through conversations with the principals and through newspaper articles are set forth below. Attached are articles and other materials that support this Complaint.*/ However, only a thorough investigation by the Federal Election Commission with its subpoena power will allow the complete factual picture to be revealed and the roles of all parties, currently known and unknown, to be understood.

A. Involved Parties

As a preface, it will be helpful to identify the parties known to be involved in this matter.

1. Congressman Byron L. Dorgan, Democratic Congressman from the At-large District of North Dakota.

2. Kimberly Olson, wife of Congressman Dorgan.

3. Kent Conrad, North Dakota Tax Commissioner and the North Dakota Democratic Party's nominee for the United States Senate in the 1986 general election.

4. Senator Mark Andrews, the North Dakota Republican Party's nominee for the United States Senate in the 1986 general election.

5. North Dakota State Republican Party.

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*/ The sources of all facts stated herein are attached as Exhibits. An Evidentiary Appendix is also attached which includes additional newspaper articles set forth chronologically.

6. Bert B. Rand, attorney with Trammell, Rand, Nathan & Lincoln, of Washington D.C., close friend of Senator Andrews, and client of Marion E. Harrison.

7. Marion E. Harrison, formerly partner with Scott, Harrison & McLeod (now Scott, McLeod, Himmelberg, Matz, Pires & Price) of Washington, D.C.

8. W.T. Butcher & Associates, Ltd., private investigative firm from Bismarck, North Dakota, headed by William Butcher.

9. Fritz Giesecke, of counsel to Bert Rand's law firm.

10. Peter Lind, attorney with Lind & Nault, Inc. of Bellevue, Washington, and a friend of Bert B. Rand.

11. People for Mark Andrews, the principal campaign committee of Senator Andrews in the 1986 election.

B. Chronology of Events

In October 1985, North Dakota Democrats were actively encouraging Congressman Dorgan to run for the Democratic nomination for United States Senate in North Dakota to oppose the incumbent, Senator Mark Andrews. Congressman Dorgan was widely regarded as a formidable challenger. A state-wide media poll taken around this time showed Congressman Dorgan leading Senator Andrews by 12 points. Because Republican control of the Senate in 1986 stands in the balance, the national and state Republican parties took seriously a possible challenge by Congressman Dorgan.

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One week after the results of the state-wide poll were made public, an investigation into Congressman Dorgan's personal life was begun. Soon after that, presumably when Congressman Dorgan decided not to seek election to the Senate, the investigation was expanded to include Commissioner Conrad. The investigations came to light in June when Congressman Dorgan and Commissioner Conrad learned that anonymous packets of information had been received by various newspapers in North Dakota, as well as national media outlets. An example of such a packet is attached as Exhibit 1.

The anonymous packets contain materials relating to the Congressman's wife, Kimberly Olson, and imply that her lobbying created a conflict of interest for the Congressman in voting on timber issues. An anonymous two-page summary contained in the packets specifically stated that the Congressman was seeking reelection in 1986. It also contained a reference to Commissioner Conrad, "often described as [Dorgan's] protege," and the fact that Commissioner Conrad is running for the U.S. Senate. Id.

In addition to these materials, the packets included copies of filings made by Ms. Olson under the Foreign Agents Registration Act, a copy of the Dorgans' 1985 marriage license from the State of Washington, and newspaper clippings about Congressman Dorgan's preference not to discuss his personal

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life in the press. Exhibit 1.

These three items led to the identification of the parties known to date to have been involved in the investigation. Under Washington State law, requests for copies of public documents are themselves public. Through this law, it was discovered that a copy of the Dorgans' marriage license had been obtained in October 1985 by Peter Lind. Legal Times, Aug. 11, 1986, at 1, attached as Exhibit 2. In a telephone conversation with counsel to Congressman Dorgan, Mr. Lind admitted obtaining the document for a client, but refused to name the client. He said he would have the client contact counsel directly, but no such contact has ever been made. In a later conversation, Mr. Lind claimed he could no longer find any record of who his client was.

Mr. Lind apparently provided a copy of the marriage license to Fritz Giesecke, of counsel to the law firm of Trammell, Rand, Nathan & Lincoln. Exhibit 2. Apparently Mr. Lind was requested by Mr. Giesecke to obtain the license. The Bismarck Tribune discovered through a Freedom of Information Act Request that Mr. Giesecke was also responsible for obtaining copies of the statements filed under the Foreign Agents Registration Act. Id. In a telephone conversation with counsel to Congressman Dorgan, Mr. Giesecke would not acknowledge that he had reviewed the Foreign Agents Registration Act filings, but

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did not deny it. He would not reveal whether he had done the review on behalf of a client. One of the name partners in Mr. Giesecke's law firm is Bert Rand, a close friend of Senator Mark Andrews.

Some of the newspaper clippings that were sent in the anonymous packet came from a clipping service. Copies sent to the Bismarck Tribune bore the clipping service's client account number, which turned out to be the account of the North Dakota State Republican Party. Exhibit 2.

Congressman Dorgan and Commissioner Conrad learned in late June or early July 1986 that they were being investigated by a private investigative firm, W.T. Butcher & Associates, Ltd. of Bismarck, North Dakota. They were also informed that the Washington, D.C. law firm of Scott, Harrison & McLeod had retained the Butcher firm. Congressman Dorgan met with senior members of Scott, Harrison & McLeod who told him that one of their partners, Marion E. Harrison, had engaged the Butcher firm on behalf of a client, Bert Rand. For his involvement in retaining a private detective to investigate Congressman Dorgan and Commissioner Conrad, Mr. Harrison's former law partners apologized to the Congressman, expressed their mortification, and asked Mr. Harrison to resign from the firm. Exhibit 2.

Mr. Rand, a friend of Peter Lind, has admitted through counsel that he authorized an investigation into the Congressman's background. Letter from J. Jonathan Schraub to

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Robert L. Deitz (Aug. 14, 1986), attached as Exhibit 3. In this letter, his counsel stated that Mr. Rand "and an associate," presumably Mr. Giesecke, "made informal inquiries into a possible conflict-of-interest involving Mr. & Mrs. Dorgan," an investigation which included "essentially" obtaining copies of the Foreign Agents Registration Act filings.

Mr. Rand has also admitted authorizing Mr. Harrison "to cause additional inquiries to be made." Exhibit 3. Id. Mr. Harrison's law practice includes, by his own admission, election law work and political representation. He has close ties to Republican Party interests and currently represents groups supporting an individual seeking the Republican Party nomination for President in 1988. Exhibit 2. According to the Washington Post, Mr. Harrison was considered for appointment to the Court of Appeals for the D.C. Circuit. He withdrew his nomination, however, when bar opposition arose because of his "alleged link to illegal campaign contributions to former President Richard Nixon." Id.

Mr. Harrison agreed to make the "additional inquiries" for Mr. Rand "as a favor to a friend and long-time client." Exhibit 2. Mr. Harrison has been quoted as saying he did not ask the purpose of the investigation, but supposed "Fritz [Giesecke] didn't want to be linked directly." National Law Journal, Aug. 18, 1986, at 3, attached as Exhibit 4. He retained the firm to assist him. His law firm paid the

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detective agency at least $2,300 for its services, but in all likelihood the firm was paid much more. Estimates of the cost of the investigations range as high as $100,000. Id. The materials produced by the detective agency were turned over to Mr. Giesecke and Mr. Rand.

Although Mr. Harrison claims he does not know for whom Mr. Rand was working, Mr. Harrison's former law partners do not believe him. Exhibit 2. One of the former partners is quoted, "[w]e questioned him for five hours and the story got vaguer and odder and stranger." Exhibit 4.

Mr. Rand has consistently refused to disclose on whose behalf the investigation into Congressman Dorgan's background was undertaken. Mr. Rand's counsel states that "[n]either Mr. Rand nor his associate, nor to his knowledge, Mr. Harrison, was ever retained or compensated in connection with these matters." Exhibit 3. Senator Andrews, however, in a statement issued about the investigation, said Mr. Rand had told him that "[a] client had requested a compilation of public document information regarding Congressman Dorgan and he had done that." Exhibit 2. See also Washington Post, Aug. 7, 1986, at 11A, attached as Exhibit 5. In a press conference, Senator Andrews acknowledged that Mr. Rand had been a friend for 30 years, that they were formerly neighbors, and that they had travelled together in Europe in 1985.

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Mr. Rand claims the materials were developed to investigate the alleged conflict of interest between Congressman and Mrs. Dorgan, "a matter which might concern the U.S. Timber Industry." Exhibit 3. Counsel for Mr. Rand stated that the use of initial capital letters in the above statement did not imply that Mr. Rand's actions were taken on behalf of any particular timber industry client. Telephone conversation between counsel for Mr. Rand and counsel for Congressman Dorgan, Aug. 14, 1986. In a telephone conversation with Congressman Dorgan, Mr. Rand stated that the investigation involved "shenanigans on behalf of the timber industry" and that it did not have a political purpose. There is no evidence that any of the materials were distributed to "U.S. Timber Industry" interests. Counsel for Mr. Rand stated that the investigation was undertaken to satisfy Mr. Rand's curiosity, id., a statement that has been contradicted. See Exhibits 2 and 5 (e.g., Senator Andrews' statements that Mr. Rand collected the information "at the request of one of Rand's clients;" Mr. Harrison's statement that he did not know who Rand's client was).

Mr. Rand claims that the report from Mr. Butcher, sent to him by Mr. Harrison, was "shelved" since it was irrelevant to the conflict of interest issue. Exhibit 3. Nonetheless, materials that are clearly linked to Mr. Rand and this

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investigation were indisputably distributed as part of the anonymous packets of information sent to various newspapers.

The North Dakota State Republican Party denies any involvement, despite the fact that some of the newspaper clippings contained in the anonymous packets are traceable to the files of the North Dakota State Republican Party. Exhibit 2. Campaign financial reports filed with the Federal Election Commission reveal no disbursements to any of the parties involved in this case, nor any section 441a(d) expenditures on behalf of its nominees in the general election. Neither reports filed by the state party nor Senator Andrews' campaign committee reveal contributions in-kind from any of the parties involved.

The explanations that have been provided by the principals in this case are neither complete nor for the most part believable. It is thus difficult to avoid the conclusion that the investigations of Congressman Dorgan and Commissioner Conrad were unlawful political actions that are now being covered up.

First, neither Mr. Harrison nor Mr. Rand has been forthright.

- It is not believable, for example, that Mr. Harrison did not know the identity of Mr. Rand's client.
- It is not believable that Mr. Rand authorized and paid

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for an investigation on his own behalf simply to satisfy his curiosity.

- o It is not believable that Mr. Rand was not compensated for his work.
- o It is not believable that the investigation was undertaken solely to determine whether Congressman Dorgan had a conflict of interest with his wife's business, since Commissioner Conrad was also investigated and since certain information distributed had nothing to do with a potential conflict of interest.

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Moreover, that Mr. Rand felt the need to ask Mr. Harrison to undertake inquiries suggests an interest by Mr. Rand in distancing himself from the surreptitious investigation. This has been all but conceded by Mr. Harrison. The explanation of Mr. Rand's involvement set forth in the letter from his counsel is so vague and drafted in such a manner as to leave the clear impression that Mr. Rand is hiding something.

In the end, among the confirmed facts in this case, one fact in particular stands out: the North Dakota State

Republican Party was the source of some of the materials sent in the anonymous packets. When taken in context, this fact provides a reasonable and coherent explanation for the entire undertaking: an effort to undermine the candidacies of Congressman Dorgan and Commissioner Conrad. This explains why the investigation began in October 1985, when Congressman Dorgan was being actively recruited to run for the Senate. This explains why the investigation was expanded to include Commissioner Conrad when Congressman Dorgan decided not to seek election to the Senate. This explains why materials were distributed that had nothing to do with any potential conflict of interest. This explains why Bert Rand, a close friend of Senator Andrews, was involved in the investigation. This explains why Marion Harrison, a person closely allied to Republican Party candidates and interests, was selected by Bert Rand to participate as his agent in the investigation. This explains why the parties involved are reluctant to come forward with answers to the questions raised by their conduct in this matter.

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II. Law

Section 441a(d)(3) of the FECA limits the expenditures made by political party committees in connection with the general election campaigns of their nominees for the United States Senate. Among the political party committees entitled to these

special spending privileges are the "state committees" of each political party. In the state of North Dakota, for purposes of this Complaint, the "state committee" of the Republican Party is the North Dakota State Republican Party, a Respondent in this action.

The spending rights of political parties are well defined. A party may make direct or in-kind contributions to candidates in amounts not exceeding $5,000 per election. 2 U.S.C. § 441a(a)(2). It may make coordinated section 441a(d) expenditures on its nominee's behalf in North Dakota up to $43,620 in the 1986 Senate election and up to $21,810 in the 1986 House election. Federal Election Commission Record, April 1986, at 2. A party may supplement the total dollars expended in connection with the Senate general election campaign, by making certain "exempt" expenditures in support of the general election nominee, such as volunteer campaign materials, slate cards, or other specified contributions. See, e.g., 2 U.S.C. §§ 431(8)(B)(v), (x); 2 U.S.C. §§ 431(9)(B)(iv), (viii). Expenditures by a party or its agents that do not fall within one of the exemptions of the FECA must be counted against the limits established in the Act.

Regulations of the Federal Election Commission expressly prohibit political parties from undertaking "independent" expenditures in support of their candidates in the general

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election. 11 C.F.R. § 110.7(a)(5), (b)(4). See also Advisory Opinions 1984-15 and 1980-119, 1 Fed. Election Camp. Fin. Guide (CCH) ¶¶ 5766, 5561. This prohibition serves to impose section 441a(a) or section 441a(d) limitations on any spending that might appear "independent" in nature, but which is not because the spending entity is a state party.

All disbursements by a state party committee directly to or on behalf of candidates for federal office must be disclosed on the party's regularly filed reports of receipts and disbursements. 2 U.S.C. § 434(b)(6)(B)(i),(iv).

The Federal Election Campaign Act defines a contribution to include "anything of value" made for the purpose of influencing a federal election. 2 U.S.C. § 431(8)(A). This has been interpreted as including the provision of goods or services in-kind, that is, without charge or at a charge less than the fair market cost. 11 C.F.R. § 100.7(a)(1)(iii).

Contributions to a state party committee are limited to $5,000 in a calendar year. 2 U.S.C. § 441a(a). Contributions to candidates and their committees are limited to $1,000 per election, unless the contributing entity is a multi-candidate committee. Id. Such contributions must be reported by the recipient candidate or political committee. 2 U.S.C. § 434.

The making of contributions or expenditures by corporations in connection with a federal election is strictly prohibited under the Act. 2 U.S.C. § 441b.

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III. Discussion

The North Dakota State Republican Party is apparently attempting to avoid lawful limitations on its anti-Democratic spending. The materials distributed specifically identify Congressman Dorgan and mention his reelection campaign and the Senate candidacy of Commissioner Conrad. The political purpose is clear. The anonymous packets, by making derogatory claims about the Congressman's actions in Congress, were designed to create a negative image of his candidacy. The distribution of the packets in North Dakota during an election year was clearly intended to influence voter perceptions about the Congressman, Commissioner Conrad, and the Democratic Party in general.

Such spending by a political party must be attributed to the appropriate limitations. The FEC has addressed and resolved this issue in Advisory Opinions it has issued. These opinions address the issue of spending by party committees in opposition to the other party's candidate(s) before their own nominee has even been selected. In Advisory Opinions 1984-15 and 1985-14, the Commission found that certain types of spending for this purpose were properly attributable to section 441a(d) spending limits. 1 Fed. Election Camp. Fin. Guide (CCH) ¶¶ 5819, 5766.

In Advisory Opinion 1984-15, the FEC held that communications attacking an opposition candidate's positions on

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issues could be considered section 441a(d) coordinated expenditures, even though made before the party's nominee had been selected, since "nothing in the Act, its legislative history, Commission regulations or court decisions indicates that coordinated party expenditures must be restricted to the time period between nomination and the general election."

The test propounded by the FEC to determine whether expenditures will, in fact, count toward section 441a(d) limits is whether the expenditures are made "for the purpose of influencing the outcome of the general election ...." The Commission found that the communications in question in this Advisory Opinion required allocation to section 441a(d) limits since:

> [t]he clear import and purpose of these proposed advertisements is to diminish support for any Democratic Party . . . nominee and to garner support for whoever may be the eventual Republican Party nominee. These advertisements relate primarily, if not solely, to [a single federal office] and seek to influence a voter's choice between the Republican Party . . . candidate and any Democratic Party nominee in such a way as to favor the choice of the Republican candidate. The only election which will pose such a choice is the . . . general election. These advertisements effectively advocate the defeat of a clearly identified candidate in connection with that election and thus have the purpose of influencing the outcome of the general election.

(Citation omitted.)

Because the expenditures were made to benefit the eventual nominee in the general election, they had to be allocated to section 441a(d) limits. See also 11 C.F.R. § 106.1(a)

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(expenditures on behalf of candidates must be attributed "in proportion to, and shall be reported to reflect, the benefit reasonably expected to be derived").

A subsequent ruling by the FEC, Advisory Opinion 1985-14, confirms this holding. In this Opinion, the Democrats proposed certain communications critical of the Republican Party and, in some cases, particular Members of Congress. The Commission concluded that communications which did not identify a particular congressman, office, or election would qualify as generic party building expenditures, not subject to any limitation. However, when the communication referred by name to a particular Member of Congress, and distribution took place within "all or part" of that Member's congressional district, the FEC concluded that the

> expenditures for producing and disseminating the mailer either with or without the "Vote Democratic" statement will be subject to the Act's limitations and attributable pursuant to 11 C.F.R. 106.1.

In so holding, the FEC noted that the declared purpose of the communication was to "influence[e] voter perceptions of these candidates with a view toward weakening their positions as candidates for re-election." This purpose, together with the identification of a particular Member, requires a finding that the spending is attributable to the limits of section 441a(d) under the criteria set out in Advisory Opinion 1984-15.

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The facts here, so far as they are now understood, are similar. Candidates of one party (Dorgan and Conrad) are clearly identified by name in the anonymous packets. The expenditures were made to gather materials that were distributed to media in the candidates' election district -- the State of North Dakota -- with the clear intent that the information would be distributed to voters participating in the general election. The materials effectively advocate the defeat of the candidates by raising negative implications about their conduct and tarring their character. The materials can only have the effect of benefiting the Republican nominees for the same offices by weakening the Democratic candidates' prospects for election.

There is no requirement in either Advisory Opinion 1985-15 or Advisory Opinion 1985-14 that the communication, to be attributable, must contain "express advocacy." In Advisory Opinion 1984-15, the FEC recognized that a communication was attributable where it "effectively" advocated the defeat of a candidate. In Advisory Opinion 1985-14, the FEC, interpreting Advisory Opinion 1984-15, stated the requirement that an allocable communication include "an electioneering message." The Opinion, in turn, defined "electioneering message" as one "designed to urge the public to elect a certain candidate or party," citing United States v. United Auto Workers, 352 U.S.

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567, 587 (1957). The FEC found a clear "electioneering message" in direct mailings that clearly identified a Member of Congress and that were distributed within the Member's district with the purpose of influencing his or her re-election prospects.

The authorization of and expenditures for the investigation of Congressman Dorgan were undertaken for the clear purpose of influencing the general election when an election contest was anticipated between the Congressman and Senator Andrews. That Congressman Dorgan subsequently decided not to seek election to the Senate does not change the original purpose of the expenditures. There does not appear to be any other credible explanation for this spending designed to influence voters' perceptions of the then likely Democratic nominee for the Senate. The fact that the investigation was expanded to include Commissioner Conrad when Congressman Dorgan decided not to seek election to the Senate only strengthens this analysis.

In any event, the spending by the North Dakota State Republican Party and the distribution of the anonymous materials about Congressman Dorgan after his decision not to run for the Senate have a similar effect and purpose: to influence the general election for the U.S. House of Representatives. If the spending is not counted against Senate section 441a(d) limits for the North Dakota State Republican

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Party, it must be attributed to the House section 441a(d) limits.

By collecting information through the use of agents and by distributing materials through anonymous mailings, Respondents have attempted to circumvent federal campaign laws. The cost of the investigation by W.T. Butcher alone is known to be at least $2,300, with estimates as high as $100,000. This does not include the additional expenses of reproducing and distributing the materials in North Dakota and other, as yet unknown, expenses. With a section 441a(d) limit of only $43,620 for the Senate election, and only $21,810 for the House election, there is a strong possibility that the North Dakota State Republican Party has already exceeded its spending limitation.

The fact that the North Dakota State Republican Party may not actually have made any disbursements directly for the investigations or dissemination of the materials does not change the analysis since its agents were authorized to make the disbursements.

Given the clear political purpose of the activities involved in this Complaint, the spending by the individuals involved in any event would constitute a contribution in-kind to the state party, or to Senator Andrews' campaign. If those contributions in-kind were made by a corporation, then a clear violation of 2 U.S.C. § 441b has also occurred.

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Moreover, none of the expenditure of funds for the investigations or for the production and dissemination of materials has been reported by the North Dakota State Republican Party or by Senator Andrews' committee, in violation of 2 U.S.C. § 434.*/

These spending and reporting violations, when the covert nature of the investigations is considered, may well be knowing and willful, requiring FEC referral to the Department of Justice. At the least, the FEC should consider a finding of aggravated and willful misconduct and impose appropriate remedial action provided under the statute. 2 U.S.C. § 437g(d)(1). Complainant will pursue this matter fully in cooperation with the FEC until Respondents obey the law.

Conclusion

On the basis of the foregoing, Complainant requests that the FEC:

1. Conduct on an expedited basis an investigation of the above facts and determine the exact dollar amounts of the anti-Democratic spending by the Republican Party in North Dakota;

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*/ In the unlikely event that Respondents can show that their activities were conducted outside the auspices of the North Dakota State Republican Party, they would still be in violation of the election laws for failing to register and report as a political committee under the FECA. 2 U.S.C. §§ 432, 434.

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2. Enter into prompt conciliation with Respondents to remedy the violations set forth in this Complaint;

3. Impose any and all penalties grounded in violations of the FECA set forth in this Complaint; and

4. Refer any violations of law to the Department of Justice for immediate action.

Respectfully submitted,

Aug. 27, 1986
Date

Byron L. Dorgan
The Honorable Byron L. Dorgan
U.S. House of Representatives
Washington, D.C. 20515

Aug. 27, 1986
Date

Kent Conrad
Kent Conrad
Tax Commissioner
State of North Dakota
Bismarck, N.D. 58501

Subscribed and sworn before me on this 27th day of August, 1986.

David J. Duncan
Notary Public

DAVID J. DUNCAN
Notary Public, PEMBINA CO., N. DAK
My Commission Expires Nov. 30, 1988

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Exhibit 1

FIRST CLASS MAIL

MSC PRINCE GEORGES MD 207
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1986

MSC PRINCE GE
JUL 3
PM
1986
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One Democratic congressman goes Deaver one better. He has his wife involved in lobbying before he leaves office.

North Dakota Congressman Byron L. Dorgan's wife has been a part of an organized effort to lobby congressmen, senators and their staffs in Washington on behalf of the Canadian timber industry to defeat U.S. legislative proposals designed to protect the American lumber industry against Canadian lumber imports.

Dorgan's wife, 27, who uses her maiden name of Kimberly Sue Olson, is registered with the Department of Justice as a foreign agent under the Foreign Agents Registration Act and has been married to Congressman Dorgan since April 13, 1985. Ms. Olson used her maiden name in registering with the Justice Department as a "legislative associate" employed by the Washington lobbying firm of APCO ASSOCIATES, the lobbying subsidiary of the Arnold and Porter law firm, according to foreign agent registration statements on file with the Justice Department.

In her initial registration with the Justice Department in June, 1985, Ms. Olson stated that she would be performing all necessary functions as a legislative associate "for the Canadian Forest Industries Council project only." Her registration statement discloses The Korean Traders Association as another foreign principal of APCO ASSOCIATES. In a subsequent filing with the Justice Department on December 20, 1985, Ms. Olson's registration discloses additional Canadian and other foreign principals which APCO ASSOCIATES represent, including the Canadian Meat Council, the Saskatchewan Mining Development Corporation and the Chilean National Copper Corporation.

APCO ASSOCIATES and Ms. Olson's filings with the Justice Department indicate extensive lobbying of congressmen, senators and members of their staffs throughout the Fall of 1985 to prevent passage of pending legislation restricting Canadian lumber imports.

For the past several years the American lumber industry has claimed serious injury by Canadian firms' selling of Canadian lumber in U.S. markets at prices with which American sawmills are unable to compete. Several pending congressional bills to restrict Canadian lumber imports have received increasing support in Congress. The Administration has, however, resisted protectionist measures against Canadian lumber imports and has attempted to solve the problem by agreements with Canada within the context of a broader

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agreement with Canada on trade matters. The Canadian share of the U.S. softwood lumber market has grown to more than 30% in 1985. U.S. lumber interests claim Canada is able to undersell American producers in the U.S. market because Canadian provincial governments provide trees to Canadian mills at little or no cost through subsidy and related programs.

Statements filed with the Justice Department by APCO ASSOCIATES and Olson indicate that between July and December, 1985, more than 134 discussions were held with senators, congressmen, their aides, and Administration officials by APCO ASSOCIATES and Olson lobbying for the Canadian Forest Industries Council.

At the time of his marriage to Olson in April, 1985, Dorgan, 44, refused to discuss the marriage, his third, following two divorces, with North Dakota newspaper representatives. He was quoted in the Fargo "FORUM" of June 2, 1985, as saying, "Things get out and people read them in the newspapers. That's unavoidable. But I don't think my personal life has anything to do with doing my job as a representative." Dorgan's secrecy regarding his marriage to Olson was also the subject at that time of editorial comment in the North Dakota press.

Kimberly Sue Olson was born on August 8, 1958 in Arlington, Washington state. She attended Washington State University and was graduated in 1980 with a degree in history. She was employed by the Nike Shoe Company in Portland, Oregon, before joining APCO ASSOCIATES in Washington, D.C.

Dorgan, a Democrat, is serving his third term as North Dakota's sole representative in Congress, having been first elected in 1980. He is running for re-election in 1986. He was North Dakota Tax Commissioner from 1969 to 1980. His successor, Kent Conrad, often described as his protege, is running for the U.S. Senate.

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Attached are the following exhibits:

"A" -- New York Times, August 12, 1985, news clipping describing the Canadian-U.S. wood export problem in light of the then-imminent session of Congress; Wall Street Journal, May 7, 1986 clipping on Canadian subsidies.

"B" -- Copy of extracts from APCO Associates file at Department of Justice, Foreign Agents Registration Unit, showing APCO Associates' congressional lobbying activity on behalf of Canadian lumber interests during Fall, 1985.

"C" -- Copies of newspaper clippings concerning congressman's secrecy about his wife.

"D" -- Copy of marriage certificate for present marriage of congressman.

"E" -- Instructions for retrieving file on APCO Associates from Department of Justice, Foreign Agents Registration Unit.

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NEW YORK TIMES AUG. 12, 1985

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U.S.-Canadian Rift On Wood Exports

By DOUGLAS MARTIN

Special to The New York Times

VANCOUVER, British Columbia — A serious confrontation over Canada's growing lumber exports to the United States appears to be looming, with a flurry of legislation before Congress to limit shipments through duties or quotas.

The main issue is contentions by members of Congress and the American lumber industry that Canadian companies are buying standing timber from provincial governments at unfairly subsidized prices.

"In effect, the provinces give the timber to the manufacturers there," said Stanley S. Dennison, executive vice president of the Georgia-Pacific Corporation, perhaps the largest importer and marketer of Canadian lumber.

Canadians counter that their log prices are no lower than American ones in comparable areas and point to an extensive Commerce Department investigation in 1982 that concluded there were no "significant subsidies."

"It's very difficult for the provincial government to stop giving subsidies, if there is no subsidy," a Canadian Government official snapped.

But Trent Lott, Republican of Mississippi, the House Minority Whip, said, "Canada has to understand that there's a freight train coming down the track on this issue, and there's no brakeman."

The issue has clouded the world's biggest bilateral trade relationship, which President Reagan and Prime Minister Brian Mulroney pledged to try to enhance during their March summit meeting. Trade between the two nations last year surpassed $118 billion, double that between the United States and Japan.

Clayton K. Yeutter, the United States Trade Representative, said during his confirmation hearing recently that the United States and Canada cannot seal a free-trade deal until the lumber issue is resolved.

When Congress returns from summer recess, it will face a half-dozen bills to restrict Canadian lumber. The bill with the widest support, sponsored by some 70 Congressmen, was submitted by Representative Sam Gibbons, Democrat of Florida, chairman of the trade subcommittee of the House Ways and Means Committee. It calls for a change in the laws governing countervailing duties to punish governments that allow the extrac-

Continued on Page D6

Quarterl

By RICHARD W. STEV

Weak economic growth l
luster corporate earnings
ond quarter, with the b
overwhelmed by depresse
a wide range of industrie
"The profits picture
pointing but not unexpecte
slow economy in general
half of the year," said
Gough, an economist at
sources Inc., the economic
firm. The nation's econon
only a 1 percent annual
first six months of 1985 a

Brazil M Delay P With I.M

By ALAN RIDIN

Special to The New York T

RIO DE JANEIRO, A
Rather than accept an aus
gram that could slow the
economic recovery, Bra
Government now appears
postponing, until 1986, the
of a credit agreement with
national Monetary Fund.

A planned rescheduling
lion in commercial debt m
tween 1985 and 1991 may
layed, since foreign bank
sisted on fund approval
stabilization program be
pleting their stalled negot

After meeting President
ney in Brasilia last week
Reed, chairman of Citicorp
"it has been our philosoph
the guidance of the I.M
added that "the President
to us his feeling that Br
time to restructure its ec

If formalized, the Brazi
would confirm recent sign
pansionist" economists in
ning Ministry who beli
should pay less heed to
mands are winning an
ingly public battle against
thodox" monetarists in t
Ministry.

'Studying the Idea'

"We're studying the id
nance Minister, Francisco
said last week. "There
schools of thought here. O
an immediate agreement
wants to break with the I

In recent public statem
dent Sarney has echoed th

Continued on Page

computers spread to Britain, but changes in purchasing policy by British Telecommunications P.L.C. and the Ministry of Defense, the two biggest customers for British products, have begun to squeeze major manufacturers. Many doubt that British companies are nimble or powerful enough to respond well.

"The small size of the British players in the international market has reared its head," said Graham Meek, who follows the industry for Wood MacKenzie & Company.

Worry began to mount here early this year. Public attention focused first on the home computer sector, where Britain's two best known entrants — Acorn Computer Group P.L.C. and Sinclair Research Ltd. — were driven to the brink of collapse.

Cambridge-based Acorn was first bailed out in February by a $11.4 million cash injection from Italy's Ing. C. Olivetti & Company, which took a 49.3 percent stake in the company and replaced its management. However, sales of Acorn's BBC Micro and Electron home computers continued to slump, forcing a second bailout last month that involved write-offs by Acorn's creditors, just licensing revenue to the British Broadcasting Corporation (which sponsored the BBC computer), and a jump in Olivetti's stake to almost 80 percent.

Sinclair Research also ran into trouble. In June, Sir Clive Sinclair, the father of Britain's home computer revolution, agreed to sell 75 percent of his company to a firm controlled by Robert Maxwell, the publisher of the Mirror Group of newspapers, for $16 million. Sir Clive also agreed to resign as chairman and leave the board of directors in a last effort to save the enterprise valued at $185 million just two years earlier.

Friday, after auditors examined as - 000.02

the entire industry, sending the Financial Times index of electronics stocks plunging from a high of 2,116.35 on Jan. 9 to 1,260.70 early last month. Prices have recovered to 1,447.6, but investors remain wary...

"It represents a pretty fundamental change of perspective on the part of investors," said Laurence Heyworth, who follows the industry for Robert Fleming & Company, the merchant bank that runs an over-the-counter market in electronics shares. "They are realizing that the kind of profitability they had been seeing may not have been the best indicator of long-term health."

The psychological impact of the industry's problems has shown up in share price declines for companies whose expansion has lived up to expectations, such as Ferranti P.L.C., and in sectors that remain relatively healthy, such as software. At the same time, new companies seeking funding by share offerings on Britain's Unlisted Securities Market are having to adjust their expectations downward.

Chief Ousted at Thorn

The most spectacular loss of confidence struck Thorn EMI, whose board of directors last month ousted its chairman and chief executive, Peter Laister, just 15 months after he had been given the job. Mr. Laister's poorly received proposal in May 1984 to merge Thorn, which is heavily involved in consumer electronics and entertainment, with British Aerospace P.L.C., Europe's leading independent manufacturer of aircraft, satellites and missiles, was partly blamed for his problems.

Worse in the eyes of investors, though, was Thorn's subsequent acquisition from the Government of Inmos P.L.C., a start-up semiconductor

its buoyant long-term outlook, though. Recently, the Digital Equipment Corporation said that it would build a $110 million microchip manufacturing plant just west of Edinburgh to supply semiconductors to its British operations and other Digital factories around the world.

and new product.

The costs and risks in such moves have contributed to the City's unease. One reason for the heightened sensitivity is the feeling in the City that the industry has no option but to take even bigger strategic gambles.



Associated Press

A logging truck in British Columbia. When Congress returns to Washington after its summer recess, it will consider several pieces of legislation to limit shipments of lumber from Canada to the United States.

U.S.-Canada Rift Over Lumber Exports

Continued From First Business Page

tion of natural resources at "less than fair market value."

The White House is fighting against lumber protectionism, largely because of its commitment to free trade. But both Congressmen and nervous Canadian Government officials say they count enough votes to override a Presidential veto.

In light of that, American Government officials are working strenuously to reach a compromise. United States officials suggest it might involve easing Canadian restrictions on the export of raw logs, opening the tight Canadian market to American plywood, and a plan to work jointly to expand third-country markets. The hope is that these measures would forestall more drastic action.

Meanwhile, the United States International Trade Commission is conducting a fact-finding investigation of the issues.

In essence, the dispute between Canada and the United States, which has many facets, comes down to "stumpage" — the term for the fee that industry pays the government for standing timber.

One key difference is that in Canada nearly 95 percent of the timberland is owned by provincial governments, while in the United States 70 percent is in private hands.

For publicly owned timber in the national forests of the United States, companies must bid competitively for stumpage. Prices paid at the time of auction can turn out to be unprofitably high if prices for the finished lumber later drop.

In British Columbia, which produces 65 percent of Canada's softwood lumber, and in other provinces, the provincial government sets stumpage fees administratively. First, the provincial government estimates lumber prices and figures roughly how much lumber it wants to produce. From the estimated price, it subtracts capital and operating cost, plus a guaranteed 12 percent profit. What is left becomes the stumpage fee.

Americans charge that, in some cases, Canadian stumpage fees could be as low as zero, if the other costs were high enough. By contrast, American companies must regard stumpage as their first fixed cost.

Special Circumstances Cited

The effect of the two systems is that Canadian companies often pay lower stumpage fees than their American counterparts. But since timber operations here are often located deep in the mountains, requiring long river transportation, the Canadians say the cost of delivered logs is virtually equal.

The industry in the United States does not accept that argument. "They are either very inefficient logging operations, or they're fudging the numbers," said William Lange, manager of resource planning for the Washington-based National Forest Products Administration.

"I find that allegation absolutely offensive," T. M. Apsey, president of the Council of Forest Industries of British Columbia, responded. The costs of operation on the mountainous coast are clearly higher, he says, and the American industry acknowledges that point. But in the interior of British Columbia, where new mills churn up so many trees that they are called "spaghetti factories," the Americans say costs are much less.

The evidence of the disparity in costs, American lumber executives contend, is that last year's rebound in housing starts did not result in a sharp upturn for the depressed American lumber industry. In recent years, the industry has written off some $500 million in assets, and about 250 American sawmills have closed.

The Housing Statistics

But the Canadians point out that even though overall housing starts last year in the United States nearly equalled the 1980 high of 2 million, construction of single-family dwellings declined by 320,000 units. Single-family houses, the Canadians say, use about three times the lumber of a unit in a multiple dwelling. They also say that high demand for pulp and paper in recent years has spurred production of wood chips, an important by-product of sawmills. This has meant more lumber has been produced than justified by the market.

Spokesmen for the American industry also point to sawmill utilization as a key variable. Mills in the United States have been operating at 70 to 80 percent of capacity, while Canada's have been running at more than 90 percent.

Canadians, on the other hand, point out that from 1978 to 1984, employment in their lumber industry fell by more than 18 percent, compared with about 14 percent in the United States.

The Canadian portion of the United States softwood lumber market has steadily grown from 19 percent a decade ago to 28 percent in 1978 and to 31 percent last year, some $2.6 billion worth. Preliminary industry figures suggest a further jump to 35 percent in the first six months of this year.

For Canada, the stakes are huge. Trees generate about $15 billion in revenue a year — more than metals, food and agriculture, fisheries and the automotive industries combined.

While there are many aspects of the lumber business in dispute between the two countries, the focus is on softwood lumber.

Large Softwood Exports

Canada is the largest exporter of softwood lumber, supplying 45 percent of the world trade. Its production grew to 20.6 billion board feet last year, from 10.9 billion in 1975. During the same period, American production grew to 31.3 billion, from 25.7 billion, but the United States exports considerably less than the Canadians.

American lumber executives say they will not be satisfied until Canada cuts its share of the American market to a fifth or less, from the present one-third.

To Mr. Apsey of the Forest Industries Council here, it all seems a trifle bemusing. He remembers being part of a Canadian delegation to Washington in 1972 that was pressed to increase lumber production, as well as exports.

"The world was demanding our lumber, especially the United States," he said.

YOU TOO CAN BE SPECIAL...



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Reagan's Bid for Free-Trade Pact With Canada Upsets Farmers, Lumbermen Along U.S. Border

By Alan Murray
Staff Reporter of The Wall Street Journal

AROOSTOOK COUNTY, Maine — On the front of the storehouse, laying claim to the surrounding 370 acres of rolling potato fields, is a large, proud sign that reads: "Malcolm E. Brown & Son."

But by the end of this month, that sign will be gone. A potato farmer for 33 years, Mr. Brown has been forced to sell his farm and will auction off his tractors Saturday to pay the remaining debts. "It was a dream come true," he says, surveying the lost land, "and then the bubble burst."

Bubbles are bursting all over this sprawling, sparsely populated county, which occupies the northernmost tip of Maine. The linchpins of its economy, potato farming and lumber, are both caught in seemingly endless depression.

And if you ask either a potato farmer or a lumberman the cause of their problems, the answer's likely to be the same: Canadian imports.

'Best Sawmill Around'

"We can compete with anybody in New England; we've got the best sawmill around," says Randy Caron, mill manager for Pinkham Lumber here. "But we can't compete with the Canadian government." Mr. Brown agrees. "It's us against their government, and our government is letting us wither on the vine."

Canada is the U.S.'s largest trading partner, and the U.S. deficit in trade with Canada is second only to that with Japan. Until recently, Canadians largely escaped the political opprobrium heaped on other trading partners by a trade-conscious Congress. But a new administration plan to negotiate a "free trade" agreement with Canada has put relations with that northern neighbor into the spotlight. Maine Sen. William Cohen complains, "I greatly fear for the health and well-being of all U.S. industries potentially affected by a free trade agreement with Canada."

Canadian trade tensions are also being heightened by a quirk in exchange rates. The U.S. dollar has fallen sharply in the last year against the West German mark and the Japanese yen, making imports from those countries more expensive. But industries competing against Canada have enjoyed no such benefit. The U.S. dollar has remained nearly unchanged against the Canadian dollar; and even auto dealers in Aroostook County complain they are losing business from local customers who travel across the border to buy cars.

Beyond the Border States

Canadian trade concerns exist not only along the border, but throughout the country. Arkansas hog farmers, Georgia sawmill owners, Missouri drug makers and California software companies all have complaints with Canada's trade practices.

But nowhere is concern about Canadian trade as sharp as here in Aroostook County. Dorothy Kelley, executive vice president of the Maine Potato Council, says that 80 of about 900 potato farmers in the county went under last year, and as many as 140 will fail this year. Kenneth Hodsdon, general manager of Pinkham Lumber, a subsidiary of Great Northern Nekoosa Corp., says the county has lost three sawmills in the past four years, and adds, "If this had been an independent mill, we'd have closed too."

Just how much Canada has to do with the problems of the local economy isn't clear. Even if the Canadian border were closed to trade, the potato and lumber industries might still be hurt by overproduction and depressed prices. But Canada provides a clear target for the complaints of Aroostook County residents, particularly because its government assistance to its farmers and lumbermen is unmatched here.

Canadian Subsidies

"I worked in Canada for three years, and if you work in Canada you realize how many subsidies there are," says Mr. Hodsdon. "It's a lot more socialistic than the United States."

To be sure, Canadian trade concerns here don't spark the same jingoistic reactions as, say, Japanese trade problems in Detroit. The Canadians "are our neighbors, our friends, our relatives," says Mr. Caron. "We don't blame them."

Instead, the blame is heaped upon Washington, for failing to address the problem. The only way to get help from the Reagan administration, complains Mr. Brown, "would be to secede and call ourselves freedom fighters."

Administration officials say the free-trade negotiations will give them an opportunity to address such grievances. Currently, trade with Canada is governed by the General Agreement on Tariffs and Trade, the same international agreement that covers trade with other western nations. Bilateral negotiations offer the possibility of allowing significantly freer trade between the two countries and of addressing specific problems between the two. The 10-10 tie vote in the Senate Finance Committee permitting the negotiations has given the administration a clear warning that any agreement that doesn't deal with these trade complaints may not win Congressional approval.

'I Don't Believe 'Em'

But those promises inspire little faith here in Aroostook County. "Bull," says Mr. Brown, his face growing red with bitterness. "I don't believe 'em. It'll be a trade-off. They'll trade us off for something else."

Traditionally, it has been Canada that has feared trading with the U.S., not vice versa. Former Prime Minister Pierre Trudeau once likened his country to a mouse in bed with an elephant. Thus the offer by new Prime Minister Brian Mulroney to negotiate the trade agreement was a rare gesture, prompted in part by fear that Canadian trade might get hurt by congressional efforts to block imports from other countries.

But Mr. Brown sees it differently. "We're the mouse, and they're the elephant, and they're jumping all over us," the potato farmer says.

That attitude also seems to be seeping down to Washington. The revolt that erupted over the Reagan administration's free-trade proposal last month was due in part to broader concerns about administration trade policy, but it also revealed strong sentiment among many senators that, in the words of Sen. David Pryor (D., Ark.), "the Canadians are coming into this with unclean hands."

"The Congress is fearful of trade, even with a country that is one-tenth the size of the U.S.," laments Sen. Daniel Moynihan (D., N.Y.), a strong supporter of the free-trade negotiations who argues that maintaining good relations with Canada is this nation's most important foreign-policy interest. "The Canadians are afraid of us, but we're acting like we are afraid of them."

Senate Clears Nomination

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U.S. Department of Justice
Washington, D.C. 20530

Short-Form Registration Statement

Under the Foreign Agents Registration Act of 1938, as amend

OMB No. 11
Approval Expires Oct. 3

Each partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no acti in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a relat similar capacity.

1. Name	Registration No.
Kimberly Sue Olson	3597
2. Residence Address	**3. Business Address**
225 1/2 C Street, N.E. Washington, D.C. 20002	1200 New Hampshire Avenue, N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958; Arlington, Washington **Present Citizenship** United States	**5. If present citizenship was not acquired by birth, indic when, where, and how acquired.**

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file t statement?

Name APCO Associates Address 1200 New Hampshire Avenue, N.W. Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association
[SEE ATTACHMENT A for additional names.]

9. Indicate your connection with the individual or organization named in Item 7:

- ☐ partner
- ☐ director
- ☒ employee
- ☐ officer
- ☐ associate
- ☐ agent
- ☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If y are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be use*

As Legislative Associate, I will perform all necessary functions in that capacity.

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11. Do any of the above described services include political activity as defined in the footnote below?
XX Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined i the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
XX full time basis ☐ part time basis ☐ special bas

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____

☐ Fee: Amount $ _____ ☐ Other thing of value _____

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount
I receive a regular salary plus out-of-pocket expenses.		

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with an election to political office or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No XX

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

12/19/85
Date of Signature

Kimberly Olson
Signature

Subscribed and sworn to before me at Washington, D.C.

this 19 day of Dec, 19 85.

Patricia A Davies
Signature of notary or other officer

My commission expires Jan 31, 19 90.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/My salary is paid on an annual basis in semi-monthly installments without

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ATTACHMENT A

Amok, Ltd.

Eldorado Resources Limited

Uranerz Exploration and Mining Limited

Canadian Meat Council

Profilo Holding A.S.

Saskatchewan Mining Development Corporation

Corporacion Nacional del Cobre de Chile (Codelco)

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SECTION
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U.S. Department of Justice
Washington, DC 20530

Exhibit B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0001
Approval Expires Oct. 31, 1984

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	3597

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

(See answer to Number 4, below.)

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

The fee for such services is to be determined periodically based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1] Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant may engage in political activities on behalf of the foreign principal. The Registrant's activities may, on occasion, include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with members of the U.S. Senate and House of Representatives and their staffs relating to legislation and actions of the Executive Branch and government agencies that may affect or relate to the foreign principal.

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Date of Exhibit B	Name and Title	Signature
February 6, 1986	Margery Kraus, Executive Vice President	MKraus

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

U.S. Department of Justice
Washington, DC 20530

Supplemental Statement
Pursuant to Section 2 of the Foreign Agents Registration Act of 1938, as amended.

OMB No. 1105-0
Approved Expires Oct. 31, 1

DEC 20

For Six Month Period Ending _____
(Insert date)

Name of Registrant APCO Associates **Registration No.** 3597

Business Address of Registrant 1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

I—REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual: N/A

(1) Residence address	Yes ☐	No ☐
(2) Citizenship	Yes ☐	No ☐
(3) Occupation	Yes ☐	No ☐

(b) If an organization:

(1) Name	Yes ☐	No ☒
(2) Ownership or control	Yes ☐	No ☒
(3) Branch offices	Yes ☐	No ☒

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INTERNAL SECURITY SECTION
REGISTRATION UNIT

2. Explain fully all changes, if any, indicated in item 1. N/A

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	*Position*	*Date Connection Ended*
N/A		

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4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting perio
Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Residence Address*	*Citizenship*	*Position*	*Date Assumed*

5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal?
Yes ☐ No ☐ N/A

If yes, identify each such person and describe his services.

6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated the employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Position or connection*	*Date terminate*

7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant wh rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical o secretarial, or in a related or similar capacity? Yes ☒ No ☐

If yes, furnish the following information:

Name	*Residence Address*	*Position or connection*	*Date connection began*
David Parkhurst	4509 Everett St Kensington, MD 20895	Researcher	September 1, 1
Anita Epstein	409 Greenbrier Drive Silver Spring, MD 20910	Senior Legislative Associate	September 1, 1

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II—FORE[illegible] PRINCIPAL

8. Has your connection with any foreign prinicpal ended during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information N/A

Name of foreign principal *Date of Termination*

9. Have you acquired any new foreign principal[1] during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information: N/A

Name and address of foreign principal *Date acquired*

10. In addition to those named in Items 8 and 9, if any, list the foreign principals[1] whom you continued to represent during the 6 month reporting period.

Korean Traders Assoc.
World Trade Center, Korea Bldg.
C.P.O. Box 1117
Seoul, Korea

Canadian Forest Industries Council
85 Albert Street
Ottawa, Ontario
Canada K1P 6A4

III—ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes XX No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

See Attachment A

[1]The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity[2] as defined below?
Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

See Attachment B

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully. N/A

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[2]The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV—FINANCIAL INFORMATION

14. (a) RECEIPTS—MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.[3]

Date		*From Whom*	*Purpose*	*Amount*
6-31-85	A&P	(Korean Traders)	Fees	3,342.50
6-31-85	A&P	(Korean Traders)	Disbursements	299.31
11-4-85	A&P	(Korean Traders)	Fees	121.25
11-4-85	A&P	(Korean Traders)	Disbursements	30.00
12-2-85	A&P	(Korean Traders)	Fees	205.00
7-31-85	A&P	(Canadian Forest Industries)	Fees	28,170.00
7-31-85	A&P	(Canadian Forest Industries)	Disbursements	906.25
			Total	

(Question 14 (a) is continued on following page)

(b) RECEIPTS—THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value[4] other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal	*Date received*	*Description of thing of value*	*Purpose*
[illegible]			

[3] A registrant is required to file an EXHIBIT D if he collects or receives contributions, loans, money, or other things of value for a foreign principal as part of a fund-raising [illegible]

[4] Does not include informational materials [illegible]

14 (a) Receipts-Monies (Continued)

Date	From Whom	Purpose	Amount
8-8-85	A&P (Canadian Forest Industries)	Fees	56,711.25
8-8-85	A&P (Canadian Forest Industries)	Disbursements	7,923.67
8-30-85	A&P (Canadian Forest Industries)	Fees	48,014.25
8-30-85	A&P (Canadian Forest Industries)	Disbursements	4,126.15
10-2-85	A&P (Canadian Forest Industries)	Fees	55,592.25
10-2-85	A&P (Canadian Forest Industries)	Disbursements	5,832.69
11-4-85	A&P (Canadian Forest Industries)	Fees	78,624.50
11-4-85	A&P (Canadian Forest Industries)	Disbursements	20,412.05
11-26-85	A&P (Canadian Forest Industries)	Fees	103,113.50
11-26-85	A&P (Canadian Forest Industries)	Disbursements	28,767.29

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15. (a) DISBURSEMENTS—MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	*To Whom*	*Purpose*	*Amount*
Korean Traders			
Various	Xerox Corporation	Duplicating	0.30
11-11-85	Arnold & Porter	Secretarial Services	192.50
Canadian Forest Industries Council			
Various	Xerox Corporation	Duplicating	21,967.94
Various	C & P Telephone	Telephone	717.83
Various	U.S. Postal Service	Postage	1,012.16
Various	APCO Employees	Cash Expense	4,036.83
Various	APCO Employees	Local Transportation	2,098.05
Various	Arnold & Porter	Secretarial Services	16,503.75
Various	Federal Express	Courier Service	229.95
Various	RCA Global Communications	Telex	502.85
Various	Mead Data Central	Lexis	5,704.63
8-26-85	Washington Service Bureau	Publications	29.80
9-26-85	National Journal	Publications	1.74
11-11-85	Arnold & Porter	Legal Assistant Services	11,636.50
Various	The Bread Oven	Meals	20.35
10-28-85	Guest Services	Meals	52.55
10-22-85	The Hunt Room	Meals	882.55
10-11-85	Hyatt Regency	Meals	1,675.08

Total

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15. (b) DISBURSEMENTS—THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value[5] other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?
Yes ☐ No ☒

If yes, furnish the following information:

Date disposed	*Name of person to whom given*	*On behalf of what foreign principal*	*Description of thing of value*	*Purpose*
N/A				

(c) DISBURSEMENTS—POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value[5] in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?
Yes ☐ No ☒ */However, the following person who has filed a Short-Form Registration Statement has made contributions in connection with Elections for federal offices:

If yes, furnish the following information:

Date	*Amount or thing of value*	*Name of political organization*	*Name of candidate*
Margery Kraus 10/28/85	$250	Fascell for Congress	Dante Fascell

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V—POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal. Canadian Forest Industries Council

[5]Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☐ Radio or TV broadcasts ☐ Magazine or newspaper articles ☐ Motion picture films ☒ Letters or telegrams
☐ Advertising campaigns ☒ Press releases ☒ Pamphlets or other publications ☐ Lectures or speeches

☒ Other *(specify)* Memoranda

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☐ Libraries
☒ Legislators ☒ Editors ☐ Educational institutions
☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups
☐ Other *(specify)*

21. What language was used in this political propaganda:

☒ English ☐ Other *(specify)*

22. Did you file with the Registration Section, U.S. Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period? Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, U.S. Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act? Yes ☒ No ☐

VI—EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

(a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A[6] Yes ☐ No ☐ N/A
Exhibit B[7] Yes ☐ No ☐

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? N/A Yes ☐ No ☐

If no, please attach the required amendment. N/A

[6]The Exhibit A, which is filed on Form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.
[7]The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

26. EXHIBIT C

If you have previously filed an Exhibit C[8], state whether any changes therein have occurred during this 6 month reporting period. Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment. N/A

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27. SHORT FORM REGISTRATION STATEMENT

Have short form registration statements been filed by all of the persons named in Items 5 and 7 of the supplemental statement? Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) personal knowledge.

(Type or print name under each signature)

Margery Kraus

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at Washington, D.C.

this 3rd day of February, 1986

Margaret A. Varner

(Signature of notary or other officer)

My Commission Expires June 1, 1986

[8] The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justice, Washington, D.C. 20530.)

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ATTACHMENT A

11. During this 6-month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9 and 10 of this statement?
__X__ Yes _____ No.

If yes, identify each such foreign principal and describe in full detail your activities and services:

Korean Traders Association

No activities

Canadian Forest Industries Council

The Registrant assisted Arnold & Porter in representing the principal in connection with proposed legislation with respect to efforts to restrict imports of lumber and other forest products from Canada.

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Attachment B

12. During the 6 month reporting period, have you on behalf of any foreign principal engaged in political activity as defined below?

YES X NO _____

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating among other things, the relations, interests, and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to date, places of delivery, names of speakers and subject matter.

Canadian Forest Industries Council

On behalf of the foreign principal, the Registrant had discussions regarding proposed restrictions on imports of lumber from Canada with Berta Bradford, Aide to Rep. Pickle, on September 10, 1985; with Jeff Crane, Aide to Rep. Crane, on September 10, 1985 and October 21, 1985; with Rep. Jenkins, US Congressman, on September 10, 1985; with Rep. Guarini, US Congressman, on September 10, 1985; with Mary Beth Riordan, Aide to Rep. McGrath, on September 10, 1985; with Steve Wallace, Aide to Sen. D'Amato, on September 24, 1985 and October 8, 1985; with Bob Guttman, Aide to Sen. Quayle, on October 3, 1985; with Bill Mattea, Aide to Sen. Dixon, on October 8, 1985; with Steve Nousen, Aide to Sen. Hatfield, on June 27, 1985 and September 27, 1985; with Brose McVay, Aide to Sen. Quayle, on October 3, 1985; with George Dalley, Aide to Rep. Rangel, on October 4, 1985; with Rachel Sotsky, Aide to Sen. Rudman, on October 4, 1985; with David Cox, Aide to Sen. Boren, on October 4, 1985; with Rep. Bevill, US Congressman, on October 8, 1985; with Rep. Bentley, US Congresswoman, on October 8, 1985; with Lisa Lerner, Aide to Sen. Dixon, on October 8, 1985; with Rep. Callahan, US Congressman, on October 8, 1985; with Mike House, Aide to Sen. Heflin, on October 9, 1985 and November 7, 1985; with Meg Hunt, Aide to Sen. Denton, on October 9, 1985; with George Krumbhaar, Aide to Sen. Glenn, on October 9, 1985; with Rep. Lott, US Congressman, on October 9, 1985; with Sen. Denton, US Senator, on October 9, 1985; with Rep. J. Lazerov, Aide

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to Sen. Sarbanes, on October 16, 1985; with Jim Guthrie, Aide to Sen. Biden, on October 17, 1985; with David Rudd, Aide to Sen. Hollings, on October 17, 1985; with Ruth Kurtz, Aide to Sen. Roth, on October 17, 1985; with Mary Ann Richardson, Aide to Rep. Lundine, on October 23, 1985; with Karen Johnson, Aide to Rep. Towns, on November 6, 1985; with Sen. Long, US Senator, on November 6, 1985; with Sen. Johnston, US Senator, on November 6, 1985; with Russell Smith and Becca Gould, Aides to Rep. Broyhill, on November 7, 1985; with Barbara Eymen, Aide to Rep. Panetta, on November 8, 1985; with Gregg Mounts, Aide to Rep. Dingell, on November 8, 1985; with Orlando Potter, Aide to Sen. Pell, on November 5, 1985; with Rep. Clinger, US Congressman, on November 16, 1985; with Randall Luthi, Aide to Sen. Simpson, on November 19, 1985; with Sen. Baucus, US Senator, on November 21, 1985; with Rep. Duncan, US Congressman, on November 21, 1985; with Rep. W. Lehman, US Congressman, on December 4, 1985; with David Roach, Aide to Rep. Williams, on June 14, 1985; with Cindy Wilhite, Aide to Rep. R. Smith (OR), on June 14, 1985; with Rep. Wyden, US Congressman, on June 14, 1985 and July 26, 1985; with Rich Brown, Aide to Rep. Wyden, on June 14, 24, 1985 and July 26, 1985 and August 30, 1985; with Rep. Schulze, US Congressman, on June 19, 1985 and October 23, 1985; with Rich Merski, Aide to Rep. Schulze, on June 19, 1985; with Rick Samans, Aide to Rep. Pease, on June 27, 1985; with Pat Eveland, Aide to Rep. Frenzel, on June 28, 1985; September 9, 1985 and October 3, 21, 1985; with Jim Schlict, Aide to Rep. Heftel, on July 1, 1985 and October 22, 1985; with George Weise, Ways and Means Committee, on July 24, 1985, September 11, 13, 1985, October 3, 1985, November 6, 1985 and December 16, 1985; with Meredith Broadbent, Minority Staff - Ways and Means Committee, on July 24, 1985; with Jeff Lang, Senate Finance Committee, on July 24, 1985; with Mike Pate, Aide to Sen. Bentsen, on July 24, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Anthony, US Congressman, on July 25, 1985 and September 10, 1985; with Rep. AuCoin, US Congressman, on July 25,

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1985; with Jan Kinney, Aide to Rep. Jenkins, on July 25, 1985; with Rep. Bonker, US Congressman, on July 25, 1985 and October 30, 1985; with Mark Murray, Aide to Rep. Bonker, on July 25, 1985; with Sen. Durenberger, US Senator, on July 25, 1985; with Jimmy Powell, Aide to Sen. Durenberger, on July 17, 19, 25, 1985 and November 19, 1985; with Carolyn Blaydes, Aide to Rep. Downey, on September 11, 1985; with Woody Keeney, Aide to Rep. Gregg, on September 11, 1985; Rep. Jacobs, US Congressman, on September 11, 1985; with Leslie Brown, Aide to Rep. Gradison, September 11, 1985; with Jonas Bobelis, Aide to Schulze, on September 11, 1985; with Rufus Yerxa, Trade Sub., Ways and Means, on September 13, 1985 and December 16, 1985; with Sandra Taylor, Aide to Sen. Chafee, on September 18, 1985; with Ed Greelegs, Aide to Rep. Russo, on September 16, 1985; with Peter Knight, Aide to Sen. Gore, on July 25, 1985; with Leon Fuerth, Aide to Sen. Gore, on July 25, 1985; with Henry Barton and Mark Elam, Aides to Rep. Campbell, on September 9, 1985; with Tom Friemuth, Aide to Rep. Daub, on September 9, 1985; with Donna Feinberg, Aide to Rep. Dorgan, on September 9, 1985; with Anne Urban, Aide to Rep. Kennelly, on September 9, 1985; with Rep. Don Pease, US Congressman, on September 10, 1985; with Jim Hawley, Aide to Rep. Gephardt, on September 10, 1985; with Bob Ludwiczak, Aide to Sen. Grassley, on September 18, 1985 and October 4, 1985; with Greg Farmer, Aide to Rep. MacKay, on October 2, 1985; Tom Spulak, House Rules Committee, on October 2, 1985 and November 8, 1985; with Pat Maclauseland, Aide to Sen. Gorton, on October 4, 1985; with David Bley, Aide to Rep. Lowry, on October 7, 17, 1985; with Rep. Mike Lowry, US Congressman, on October 7, 17, 1985; with Thelma Askey, Minority Staff-Ways and Means Committee, on November 4, 1985; with Chris Finn, Aide to Rep. J. Jones, on November 11, 1985; with Rep. Sikorski, US Congressman, on November 8, 1985; with Rep. Richardson, US Congressman, on November 14, 1985; with Dan Evans, Aide to Rep. Bonker, on December 6, 1985; with Louis Roth, Aide to Sen. Glenn, on October 9, 1985; with Rep. Feighan, US Congressman, on October 9, 1985; with Floyd Fithian and Dan McGrath, Aides to Sen. Simon, on October 9, 19, 1985; with Phil Rotondi, Aide to Rep. Foglietta, on October 17, 1985; with Bill Morley, Aide to Sen. Spector, on October 17, 1985; with Sen. Gorton, US Senator, on October 18, 1985; with

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Rep. Dicks, US Congress, on October 18, 1985; with Joe Mentor, Aide to Sen. Evans, on October 18, 1985; with Charles Broches, Aide to Rep. J. Miller, on October 18, 1985; with Sam Story, Aide to Rep. Emerson, on October 21, 1985 and November 18, 1985; with Rep. Fascell, US Congressman, on October 21, 1985 and November 18, 1985; with Rep. R. Young, US Congressman, on October 23, 1985; with Rep. Erdreich, US Congressman, on October 29, 1985; with Frank Toohey, Aide to Rep. Flippo, on October 29, 1985; with Steve Raulston, Aide to Rep. Dickinson, on October 29, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Emerson, US Congressman, on October 9, 1985; with Rep. Stangeland, US Congressman, on October 9, 1985; with Rep. St. Germaine, US Congressman, on October 9, 1985; with Marcia Aronoff, Aide to Sen. Bradley, on October 9, 1985; with Rep. Michel, US Congressman, on October 19, 1985; with Rob Kirchner and Jim Cuttell, Aides to Rep. Roukema, on October 19, 1985; with Pat Wait, Aide to Rep. Bentley, on October 19, 1985; H.P. Goldfield, Assistant Sec. Commerce Dept, on June 25, 1985; with Jim Medas, Dept. Asst. Sec. of State for Canadian Affairs, on June 26, 1985, July 15, 17, 22, 1985, and October 7, 1985; with John Anderson, Commerce Department, on September 6, 1985; with Bill Merkin, USTR, on July 25, 1985, August 13, 1985, September 12, 1985, October 7, 11, 21, 24, 1985, and November 5, 12, and 22, 1985; with John Stiner, Commerce Department, on August 14, 1985, October 8, 16 29, 1985, November 15, 1985; with Mike Kelly, Commerce Department, on August 14, 1985, October 15, 21, 30, 1985; with Alex Platt, National Security Council, on November 20, 22, 1985; with Amb. Michael Smith, Deputy USTR, on July 24, 1985; with Alan Holmer, General Counsel - USTR, July 24, 25, 1985; with Gene Allister, White House Staff, on August 28, 1985 and September 10, 1985; with Susan Beasley, Treasury, September 12, 1985; with Andy Card, Special Asst., The White House, on September 5, 1985 and October 8, 1985; with Chris Kristiansen, Commerce Department, on October 21, 1985; with Lehman Li, White House Staff, on November 5, 1985; with Ann Hughes,

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Deputy Assistant Sec. - Commerce, on August 14, 1985 and November 22, 1985; with Bill Barreda and Bill Murden, Treasury, on August 13, 1985; with Tom Kay, Agriculture, on August 14, 1985; with Bruce Smart, UnderSecretary of International Trade, Department of Commerce, on August 14, 1985; with Robert Searby, Betsy White and Chris Hankin, Labor, on August 14, 1985; with Robert Cornell, Treasury, on September 12, 1985; with Randy Davis, Office of Management and Budget, on September 11, 1985; with Thomas Moore and Joseph Stone, Council of Economic Advisors, on August 14, 1985; with Doug McMinn, Department of State, on October 21, 1985; with Mike Farren, Commerce Department, on November 22, 1985.

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Attachment A

APCO Associates

Board of Directors

Dennis G. Lyons	1203-S. Watergate East 2500 Virginia Ave., N.W. Washington, D.C. 20037	Chairman	U.S.
Myron P. Curzan	5519 Uppingham St. Chevy Chase, MD 20815	Director	U.S.
G. Duane Vieth	3717 Cardiff Road Chevy Chase, MD 20815	Director	U.S.
Stuart J. Land	1816-24th St., N.W. Washington, D.C. 20008	Director	U.S.
Murray H. Bring	7013 Heatherhill Rd. Bethesda, MD 20034	Director	U.S.
James F. Fitzpatrick	3848 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Norman M. Sinel	3710 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Michael N. Sohn	6806 Florida St. Chevy Chase, MD 20015	Director	U.S.
David R. Kentoff	8416 Fox Run Potomac, MD 20854	Director	U.S.
Margery Kraus	9609 Whitecedar Ct. Vienna, VA 22180	Director	U.S.

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APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 872-3665

FOR IMMEDIATE RELEASE

Margery Kraus
APCO Associates
(202) 872-3665

NEW DEVELOPMENT CONSULTING GROUP

ANNOUNCED BY ARNOLD & PORTER

Washington, D.C., March 29--Arnold & Porter, the 37-year-old Washington-based law firm, one of the city's largest, today spawned a new consulting group to provide the full range of services required for private and government development projects.

The new organization, APCO Associates, the Arnold & Porter Consulting Group, will extend the services normally available in a law firm to include the full range of disciplines necessary to assist in the planning of complex development projects. These include financial, marketing, management and development services.

Through an affiliated company, MPC & Associates, Inc., implementation services will also be offered to public and private entities undertaking these development projects.

This combination of services is specially designed to provide development expertise for institutions of learning, cities, non-profits and private/ public partnerships in dealing with private and governmental sectors.

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Announcing establishment of the new group, Myron P. Curzan, an Arnold & Porter partner and president of APCO, said: "Throughout its history Arnold & Porter has delivered a full range of traditional legal services to clients in the public and private sectors. The complexity of the economic environment of the 1980's has created a new set of problems requiring innovative solutions, often involving a disparate set of actors from the public and private sectors. In order to respond to these changing needs and to changes in the practice of law, Arnold & Porter has created APCO -- The Arnold & Porter Consulting Group."

Dennis Lyons, another Arnold & Porter partner, is chairman of APCO. The firm decided on a non-lawyer and outsider to serve as Chief Operating Officer and Executive Vice President of APCO. She is Margery Kraus, until now Vice President of the Close Up Foundation, a multi-million dollar educational foundation which develops citizenship education programs. Mrs. Kraus, who is married and the mother of three children, has had thirteen years of varied management and development experience. She is also a member of the board of directors of Intervest, Inc., a real estate investment firm.

APCO has offices in the Thurman Arnold Building, 1200 New Hampshire Avenue, N.W.

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APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 872-3665

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BIOGRAPHICAL SKETCH OF

MYRON P. CURZAN

Mr. Curzan joined Arnold & Porter in 1967 and became a partner in the firm in 1973. In his work at the firm, he has specialized in development projects relating to real estate and telecommunications. These projects have included the development of the satellite interconnection system for public broadcasting, the creation of the delivery mechanism to provide closed captioning services to the hearing-impaired, and the representation of various foundations, governmental entities, community development corporations, and private companies on the use of federal programs and appropriate development procedures for financing and managing large-scale real estate projects that utilize public and private capital.

Over the years, Mr. Curzan has served on a number of national committees and task forces in conjunction with his work in the housing field. Some of these include work as the Executive Director of the Task Force on Improving the Operation of Federally Insured or Financed Housing Programs established by the National Center for Housing Management, counsel to the HUD-established Task Force on Housing Management, and member of the Advisory Board of the Bureau of National Affairs Housing and Development Reporter.

In addition to this work at Arnold & Porter, Mr. Curzan has served as a Director of the Scovill Manufacturing Company, 1972-1978; and a Director of the Council on Public Interest Law, 1978-1980. He is currently a Director of Connecticut Mutual Life Insurance Company.

Mr. Curzan received his B.A., magna cum laude, Phi Beta Kappa from Columbia College. He was selected as a Woodrow Wilson Fellow and received his M.A. from Yale University. His LL.B., magna cum laude was received at Columbia Law School where he was a Harlan F. Stone Scholar and a member of the Columbia Law Review. He is married and lives with his wife and three children in Chevy Chase, Maryland.

APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036
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BIOGRAPHICAL SKETCH OF

MARGERY KRAUS

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

Mrs. Kraus joined APCO Associates as its chief operating officer on February 1, 1984. Prior to that time, she was Vice President for the Close Up Foundation, a multi-million dollar educational foundation which develops political education programs for high school students and teachers on a national basis.

During her 13 years at the Close Up Foundation, she played a key part in developing the organization from a $100,000 per year operation with five employees to a $15 million per year organization with over 150 employees. Mrs. Kraus had direct responsibility for both administration and program development, in addition to fundraising and legislative relations. Among her many accomplishments at Close Up was the development of the Close Up Telecommunications Project, which now provides over 100 live television programs a year to schools and homes around the country on the Cable Satellite Public Affairs Network (C-SPAN).

Mrs. Kraus' outside activities include membership on the Board of Directors of Intervest, Inc., a real estate investment and management firm and membership on the Educational Task Force of Project '87, an effort to commemorate the Bicentennial of the Constitution. She is also a regular correspondent to a series of women's newspapers through a monthly column, Washington Watch. Mrs. Kraus is listed in Who's Who of American Women.

Mrs. Kraus received a B.A. from Knox College and American University, magna cum laude with honors in government. She received an M.A. in Government and Public Law from American University. She is married and lives with her husband and three children in Vienna, Virginia.

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THE APCO STORY

THROUGHOUT ITS HISTORY, ARNOLD & PORTER HAS DELIVERED A FULL RANGE OF LEGAL SERVICES TO CLIENTS IN THE PUBLIC AND PRIVATE SECTORS. MANY OF THESE SERVICES HAVE INVOLVED THE DEVELOPMENT OF PROJECTS THAT REQUIRED INTERDISCIPLINARY APPROACHES TO THE SOLUTION OF COMPLEX PROBLEMS.

IN ORDER TO OFFER A WIDER RANGE OF SERVICES, ARNOLD & PORTER HAS ESTABLISHED A CONSULTING FIRM, APCO ASSOCIATES, TO SERVE CLIENTS IN THE PUBLIC AND PRIVATE SECTORS WHO ARE PLANNING OR IMPLEMENTING COMPLEX DEVELOPMENTAL PROJECTS.

INITIAL AREAS OF CONCENTRATION FOR APCO WILL INCLUDE THE FOLLOWING:

- SERVICES TO UNIVERSITIES REGARDING THE USE OF THEIR PROPERTY AND THE DELIVERY OF SERVICES TO BOTH THE CAMPUS AND OUTSIDE COMMUNITIES; THE EXPANSION OF UNIVERSITY MEDICAL BASED FACILITIES; AND THE DEVELOPMENT OF APPROACHES FOR EXPANDING FINANCIAL RESOURCES AND INVESTMENT OPPORTUNITIES OF INSTITUTIONS OF HIGHER EDUCATION.
- SERVICES TO PRIVATE ENTITIES FACING UNIQUE DEVELOPMENT AND INVESTMENT PROBLEMS THAT REQUIRE INPUT FROM MULTI-DISCIPLINARY CONSULTING TEAMS.
- SERVICES TO LOCAL GOVERNMENT THAT INVOLVE THE DEVELOPMENT AND FINANCING OF REAL ESTATE VENTURES IN WHICH THESE GOVERNMENTAL ENTITIES WILL HAVE AN ONGOING INTEREST.
- LOBBYING AND INFORMATION SERVICES TO AID LOCAL GOVERNMENTS AND OTHERS IN DEALING WITH WASHINGTON-BASED PROBLEMS.

APCO WILL BE GUIDED BY A BOARD OF DIRECTORS COMPOSED OF NINE SENIOR PARTNERS OF ARNOLD & PORTER. THE COMPANY WILL BE MANAGED BY MYRON P. CURZAN, AN ARNOLD & PORTER PARTNER, WHO WILL SERVE AS ITS PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND BY MARGERY KRAUS, FORMERLY VICE PRESIDENT OF THE CLOSE UP FOUNDATION, WHO WILL SERVE AS APCO'S EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER.

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APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 872-3665

FIRM PROFILE

APCO Associates, The Arnold & Porter Consulting Group, was recently formed as a spinoff of the Washington law firm of Arnold & Porter. It is headed by Myron P. Curzan, an Arnold & Porter partner who specializes in the planning and development of real estate and telecommunications projects for private and nonprofit institutions, and Margery Kraus who recently joined APCO after 13 years in the management and financing of development projects for nonprofit organizations.

APCO brings to its projects a multi-disciplinary approach to problem-solving and development issues. It utilizes both the talents of Arnold & Porter attorneys and the non-legal professionals of APCO and the firms with which it contracts. APCO draws upon four kinds of skills as it works with clients: legal, financial, marketing, and development.

APCO normally uses a three-phased planning process that assumes full client participation at each step. Simple but critical questions lie at the heart of each phase.

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I. CAN THIS PROJECT BE DONE?

A multi-disciplinary feasibility study is done to determine:

- whether the basic concept of the project is sound and whether the client's objectives are clear;
- the range of legal, financial, marketing, management, and development options available for successfully implementing the project;
- the resources that can be called upon by the client or by the project;
- the magnitude of the potential obstacles to a successful outcome for the venture; and
- the long-range potential of the project for success in light of the client's goals.

II. WHAT APPROACH(ES) SHOULD BE TAKEN TO ACHIEVE THE CLIENT'S GOALS?

APCO and the client draw up a total plan for the entire project. The plan:

- begins with an analysis of each factor affecting the outcome;
- indicates the relevant expertise for dealing with each problem;
- suggests the action options most suited to achieving the client's objectives; and
- sets forth the timing for each phase of activity.

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III. HOW SHOULD WE IMPLEMENT THE PLAN?

Once it is determined that the project can be accomplished and a sound approach has been devised to bring it to fruition, the implementation process begins. APCO or its sister corporation will then--at the client's request--take responsibility for various aspects of the project. APCO's services include:

- marshalling the diverse resources that the project requires and bringing them to the development process in a timely way;
- managing the professionals who are needed to carry out the plan;
- providing an "early warning system" that signals difficulties and then working with the client to design appropriate responses;
- providing the client with periodic and realistic assessments of progress; and
- developing a long-term operations and management program for the venture.

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APCO'S CLIENT SERVICES

APCO's services are designed for clients as diverse as its services. They include:

- Services to Universities. APCO works with public and private universities to help them make the best use of their increasingly limited resources. APCO

personnel have developed innovative approaches for the development of faculty and student housing as well as multi-purpose university facilities.

- Services to Cities. APCO works with cities to overcome problems relating to the creation of new services and the redeployment of local resources. Recent projects undertaken by APCO and Arnold & Porter personnel have involved the planning and franchising of cable television and the review of multi-use real estate ventures.

- Services to Nonprofits and Private/Public Partnerships. APCO works with profit-making and nonprofit entities to devise unique approaches to the commencement of new services and the solution of problems that are interfering with current services. APCO personnel have worked on a wide range of programs; from expanding television offerings for the hearing impaired to ensuring a future for a prominent symphony.

- Washington Services. APCO, working closely with professionals at Arnold & Porter, has extensive experience in dealing with the federal government--on Capitol Hill, in the Executive Branch, and at the regulatory agencies. If the problem requires a Washington-based solution, APCO can normally provide the necessary assistance.

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Washington, D.C. 2053. *der the Foreign ...egistration Act of 1938, as amende*

Each partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no activit in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related similar capacity.

1. Name Kimberly Sue Olson	Registration No. 3597
2. Residence Address 225½ C Street, N.E. Washington, D.C. 20002	3. Business Address 1200 New Hampshire Ave., N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958 Arlington, VA Present Citizenship United States	5. If present citizenship was not acquired by birth, indica when, where, and how acquired.

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file th statement?

Name APCO Associates Address 1200 New Hampshire Ave., N.W.
Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association

9. Indicate your connection with the individual or organization named in Item 7:
☐ partner ☐ director ☒ employee
☐ officer ☐ associate ☐ agent
☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If yo are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be used.*

As Legislative Associate, Washington Services at APCO for the Canadian Forest Industries Council project only, I will perform all necessary functions in that capacity.

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11. Do any of the above described services include political activity as defined in the footnote below?
☒ Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined in the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
☒ full time basis ☐ part time basis ☐ special bas

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____
☐ Fee: Amount $ _____ ☐ Other thing of value */

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount
I receive a regular salary plus out-of-pocket expenses		

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15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did yo make any contributions of money or other things of value from your own funds or possessions and on your own behalf in cor nection with an election to political office or in connection with any primary election, convention, or caucus held to select car didates for political office? Yes ☐ No ☒

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

June 5, 1985
Date of Signature

Kimberly Olson
Signature

Subscribed and sworn to before me at Washington, D.C.

this 5th day of June, 19 85.

Margaret A. Vana
Signature of notary or other officer

My commission expires June 1, 1986.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/ My salary is paid on an annual basis in semi-monthly installments for time spent only on Canadi-- Forest Industries Council and administrative matt--s.

U.S. Department of Justice
Washington, DC 20530

Amendment to Registration Statement
Pursuant to the Foreign Agents Registration Act of 1938, as amended

OMB No. 1103-0004
Approval Expires Oct. 31, 1985

1. Name of Registrant	2. Registration No.
APCO Associates	3597

3. This amendment is filed to accomplish the following indicated purpose or purposes:

- ☐ To correct a deficiency in
  - ☐ Initial Statement
  - ☐ Supplemental Statement for _____
- ☒ To give a 10-day notice of a change in information as required by Section 2(b) of the Act.
- ☐ Other purpose *(specify)* _____
- ☐ To give notice of change in an exhibit previously filed.

4. If this amendment requires the filing of a document or documents, please list-

Exhibits A & B

5. Each item checked above must be explained below in full detail together with, where appropriate, specific reference to and identity of the item in the registration statement to which it pertains. If more space is needed, full size insert sheets may be used.

This amendment to Registrant's Registration Statement is to give notice of a new foreign principal of the Registrant, the Canadian Forest Industries Council, and to file the necessary Exhibits A & B.

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Formerly OBD-68

FORM CRM-158
AUG. 82

The undersigned swear(s) or affirm(s) that he has *(they have)* read the information set forth in this amendment and that he i
(they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his *(thei*
knowledge and belief.

Margery Kraus

(Each copies of this amendment shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at Washington, D.C.

this 20th day of May, 19 85 Margaret A. Vance
(Notary or other officer)

My commission expires June 1, 1986

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U.S. Department of Justice
Washington, DC 20530

EXHIBIT A
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0001
Approval Expires Oct. 31, 19

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant	2. Registration No.
APCO Associates 1200 New Hampshire Avenue, N.W. Washington, D.C. 20036	3597

3. Name of foreign principal	4. Principal address of foreign principal
Canadian Forest Industries Council	85 Albert Street Ottawa, Ontario Canada K1P 6A4

5. Indicate whether your foreign principal is one of the following type:

☐ Foreign government

☐ Foreign political party

☒ Foreign or ☐ domestic organization: If either, check one of the following:

☐ Partnership ☐ Committee

☐ Corporation ☐ Voluntary group

☐ Association ☒ Other (specify) Council

☐ Individual—State his nationality

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant. N/A

b) Name and title of official with whom registrant deals.

7. If the foreign principal is a foreign political party, state:

a) Principal address N/A

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

The foreign principal aims to provide a vehicle through which the forest industries of Canada, as represented by their respective associations may actively support common national or regional objectives. With reference to the U.S., the foreign principal tries to ensure the long term viability of the forest industries by defending them against trade restrictions.

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b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Directed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Financed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page may be used.)*

The foreign principal is owned, directed, controlled and financed by the following Canadian associations:

Alberta Forest Products Association
Canadian Lumbermen's Association
Canadian Pulp and Paper Association
Canadian Wood Council
Cariboo Lumber Manufacturers' Association
Central Forest Products Association, Inc.
Council of Forest Industries of British Columbia
COFI-Northern Interior Lumber Sector
Interior Lumber Manufacturer's Association
Maritime Lumber Bureau
New Brunswick Forest Products Association
Nova Scotia Forest Products Association
Ontario Forest Industries Association
Ontario Lumber Manufacturers Association
L'Association des Industries Forestieres du Quebec Limitee
The Western Plywood Manufacturers Association

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10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

Washington, DC 20530

To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

Approved August Oct. 31, 19

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	Canadian Forest Industries Council

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

See Number 4 Below.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

The fee for such services is to be determined based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

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SECTION
REGISTRATION UNIT

Formerly OBD-65

FORM CRM-155
AUG. 82

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respec to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

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6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1]
Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant will engage in political activities on behalf of the foreign principal. The Registrant's activities may on occasion include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with Members of the U.S. Senate and House of Representatives and their staffs relating to legislati and other actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other forest products from Canada.

Date of Exhibit B	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or [illegible] influence any agency or official of the Government of the United [illegible]

JUN 17 1985
N.D. NEWSPAPER
CLIPPING SERVICE
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University Station
Grand Forks, N.D. 58201

Minot News

Anonymous Spouse?

Always adept at handling the media, Congressman Byron Dorgan has brushed aside most inquiries concerning his recent marriage. The press in North Dakota isn't particularly intrusive. Disclosure of non-eventful personal information, whether by public figures or private citizens, is generally a matter of personal choice.

But Dorgan apparently isn't satisfied with the status quo. Annoyed that even a few facts were reported, he is pushing for more than privacy: His new bride would not only be sheltered, but anonymous, as hidden as the wife of Yuri Andropov, whose existence wasn't confirmed until the Soviet leader's death.

Back here in North Dakota, that's a bit hard to swallow. Hardly a week goes by that The News doesn't turn down somebody's request to keep a marriage license out of the paper. It's a matter of public record.

And, to borrow one of Dorgan's favorite pejoratives, it would be "nonsense" to accept his basic premise: that there is no connection between a person's personal and work lives. It just isn't so, especially when you're an elected official.

—

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1985
N.D. NEWSPAPER
CLIPPING SERVICE
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Grand Forks, N.D. 58201

Fargo Forum

Interviewing Dorgan at home a reasonable request

A quotation by Rep. Byron Dorgan in The Forum states in part, "I find that public life is difficult enough without making my private life public, too."

Maybe Dorgan feels that his recent third marriage to Kim Olson of Washington is a political liability, which he does not care to have aired by the press.

I do not think The Forum was making an unreasonable request when asking for an interview with Dorgan in his home. The function and duty of a newspaper is to keep the public informed.

Dr. H.C. Hawn
Fargo

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JUN
N.D. NEWSPAPER
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Grand Forks N D 58201

Fargo Forum

Dorgan won't share private life with public

By Cathy Mauk
STAFF WRITER

He'll tell you he lives on Capitol Hill, half a block south of the Hart Senate Office Building, and that for relaxation he plays tennis and basketball, and that the main reason he moved from Dupont Circle to The Hill three years ago was to avoid traffic jams.

But Rep. Byron Dorgan, D-N.D., believes in separating his job from his personal life, and he denied — politely, good-naturedly and quite firmly — The Forum's request for an interview in his home.

"I find that public life is difficult enough without making my private life public, too," Dorgan said.

"You can take a picture of the outside of my house," he said. "I'll give you the keys and you can go in and take pictures of the inside of the house. But you won't take a posed picture of Mr. and Mrs. Byron Dorgan at home. I won't do that."

Nor will Dorgan discuss his April marriage to Kim Olson of Washington. "Things get out and people read them in newpapers" Dorgan said. "That's unavoidable. But I don't think my personal life has anything to do with doing my job as a representative."

Dorgan said that while his home life is off limits to the public and the press, he makes a special effort to be accessible to his constituents. So he lists his phone number in the Washington directory. "And unlike most (congressmen) I don't screen my office calls," he said. "I hate it when you call someone and the receptionist asks 'May I tell him who's calling' or 'May I tell him the nature of your call?'"

Part of what's difficult about public life, Dorgan said, is the pace. "You start out knowing that 30 weekends a year you're going to be working," he said "You fly out to the district Friday, fly around the district Saturday, fly back to Washington Sunday and you end up working seven days a week."

So it's important to set priorities, Dorgan said, and to keep home separate from job. "One thing that's essential in public life is deciding what you can and cannot do," he said. "You could be out at a reception every night. If you're going to have any discipline at all you must set limits on what you can and cannot do.

"Or," he said with a smile, "on what you will and will not do."

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STATE OF WASHINGTON DEPARTMENT OF SOCIAL & HEALTH SERVICES
DIVISION OF HEALTH

504084003

STATE OF WASHINGTON DEPARTMENT OF SOCIAL AND HEALTH SERVICES
VITAL RECORDS
CERTIFICATE OF MARRIAGE

T46-8 5 09254
STATE FILE NUMBER

COUNTY SNOHOMISH DATE 4-11-85

OFFICIANT

1 I CERTIFY THE PERSONS NAMED BELOW WERE MARRIED ON	2 DATE(MO DAY YR) April 13, 1985	3 COUNTY Snohomish	4 RELIGIOUS/CIVIL CEREMONY (SPECIFY) Religious	5 DATE SIGNED(MO DAY YR) April 13, 1985
6 OFFICIANT'S SIGNATURE X		7 OFFICIANT ADDRESS 215 Mukilteo Blvd Everett, WA 98203		

GROOM

8 NAME FIRST MIDDLE LAST Byron Leslie Dorgan			9 BIRTHDATE(MO DAY YR) 5-14-42	9 BIRTHSTATE(IF NOT USA GIVE COUNTRY) N.D. USA
10 USUAL RESIDENCE(NUMBER AND STREET) 225½ C St. NE	11 CITY/TOWN/LOCATION Wash	12 INSIDE CITY LIMITS(YES/NO) DC ND	13 COUNTY	14 STATE DC
15 FATHER'S NAME Emmett Dorgan	16 BIRTHSTATE(IF NOT USA GIVE COUNTRY) Jan 3, 1909	17 MOTHER'S MAIDEN NAME Dorothy Burch		18 BIRTHSTATE(IF NOT USA GIVE COUNTRY) Jan 21 1915
19 GROOM'S SIGNATURE X Byron L. Dorgan				20 DATE SIGNED(MO DAY YR) 4-13-85

BRIDE

21 NAME FIRST MIDDLE LAST Kimberly Sue Olson	22 MAIDEN NAME IF DIFFERENT		23 BIRTHDATE(MO DAY YR) 08/08/58	24 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA
25 USUAL RESIDENCE(NUMBER AND STREET) 221 C St NE	26 CITY/TOWN/LOCATION Wash	27 INSIDE CITY LIMITS(YES/NO) DC NO	28 COUNTY USA	29 STATE DC
30 FATHER'S NAME Herman S. Olson	31 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA	32 MOTHER'S MAIDEN NAME Anita J. Joergensen		33 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA
34 BRIDE'S SIGNATURE X Kimberly Olson				35 DATE SIGNED(MO DAY YR) 4-13-85
36 WITNESS TO SIGNATURE X Anita Kay Dorgan	37 WITNESS TO SIGNATURE X Darrell Y. Dorgan			
38 COUNTY AUDITOR'S SIGNATURE X Dilbert Urban				39 DATE RECEIVED(MO DAY YR) APR 16 1985

026148

Barbara Stone
CERTIFICATE

OCT. 11. 1985

DO NOT DESTROY

DSHS 9-641A (5/85)

159863

A CERTIFIED COPY OF THE RECORD ON FILE WITH VITAL RECORDS. CERTIFIED COPIES MUST HAVE THE OFFICIAL SEAL

APCO ASSOCIATES FILE

APCO ASSOCIATES, a Washington, D.C. lobbying subsidiary of Arnold & Porter, a leading Washington law firm, has registered as a foreign agent under the U.S. Foreign Agents Registration Act of 1938, as amended.

The APCO ASSOCIATES registration file, available to the public, establishes that APCO ASSOCIATES is a registered foreign agent for the Canadian timber industry. The APCO ASSOCIATES file is available at:

Department of Justice
Foreign Agent Registration Unit
Library
Room 100
Federal Triangle Building
315 9th Street, N.W.
Washington, D.C.
(near corner of Pennsylvania Avenue).

The library is in Room 100 (on ground floor to the right as you walk into the lobby from the street) and is open from 10:00 a.m. to 4:00 p.m.

The APCO ASSOCIATES file is about ½" thick, making it one of the smaller files in the library. The Clerk on duty (usually one Mary Williams) will copy the file for 10¢ per page while you wait.

If the Clerk says the file is "out" and not available, persistence will usually produce it.

Arnold & Porter itself is also registered as a foreign agent for many foreign entities and has built up quite a large registration file.

8904073149 8

Exhibit 2

LEGAL TIMES OF WASHINGTON

8 MONDAY, AUGUST 11, 1986—VOL. IX, NO. 11

Campaign's Dirty Tricks Put Heat On D.C. Law Firm

By Rich Arthurs

Partners at Washington, D.C.'s 14-lawyer Scott, Harrison & McLeod sensed trouble on July 29 when they got a call from the office of Rep. Byron Dorgan, saying that the North Dakota Democrat wanted to meet with them right away.

Two days later, five of the firm's seven partners went to see Dorgan at his Capitol Hill office. The firm's managing partner, Alexander Pires Jr., says the lawyers were astounded at what Dorgan had to tell them.

"He told us he had proof that a private investigator had been hired to investigate his personal life and that it had been traced to Marion Harrison of our law firm," Pires says, adding, "We told him, 'We don't know anything about it, never authorized it, never approved it, and frankly don't know what you're talking about.' "

A review of the firm's disbursements proved Dorgan right, however. It showed that during the past five months, the firm had written two checks totaling approximately $2,300 to W.T. Butcher & Associates Ltd., the Bismarck, N.D., private detective agency that Dorgan said had been retained to investigate his background.

Harrison was out of the country on the day the lawyers met with Dorgan, but his partners managed to reach the 54-year-old lawyer by telephone. Harrison confirmed to his partners that he had hired the detective agency.

The partnership held a day-long meeting when Harrison returned last Monday. Harrison withdrew from the firm that day—he says he was planning to leave anyway—and the firm immediately changed its name to Scott, McLeod, Himmelberg, Matz, Pires & Price. Pires says that the other partners wanted Harrison to leave the firm immediately, but Harrison, citing the partnership agreement, agreed to leave the firm's offices within 60 days.

By that point, however, the firm was embroiled in a growing scandal involving allegations of political dirty tricks in the North Dakota Senate race, a key contest in the Republicans' effort to retain control of the Senate. Dorgan, who had considered running for the seat now held by Sen. Mark Andrews (R-N.D.), and Kent Conrad, Andrews' Democratic challenger, claim that Republicans have financed private investigations into their personal lives and have used the results of the investigations in an attempt to smear them in the North Dakota press. The investigations produced allegations that Dorgan had been improperly lobbied on a trade bill by his wife, a lobbyist with Arnold & Porter's lobbying arm, APCO (Arnold &

DORGAN, *See page 8*

8904073149

Small D.C. Firm Embroiled in Political Scandal

■ DORGAN

Continued from page 1

Porter Consulting Organization)

Both Harrison and William Butcher, head of the Butcher detective agency, deny having participated in any investigation of Conrad's background.

The big question is who financed the investigation of Dorgan. Harrison says that he made the payments to the detective agency as a favor to a friend and client, Bert Rand, a D.C. attorney and associate of Sen. Andrews. Andrews last week denied having financed the private investigations. Rand did not return numerous calls seeking comment. Rand's wife, reached at their Arlington, Va., home, says, "My husband is not talking to reporters."

The Dorgan affair marks the second time in as many years that Harrison has embarrassed the firm headed by Hugh Scott, a former Republican senator and Senate minority leader from Pennsylvania. The firm was formed two years ago, when Scott, Harrison, and five other attorneys broke away from the D.C. office of Louisville, Ky.'s Barnett & Alagia in a dispute over the management of the D.C. office (*Legal Times, Aug. 6, 1984, p. 1*).

Scott's firm has grown in two years from seven lawyers to 14, broadening its base of agricultural, lobbying, corporate, and litigation clients that the founding partners brought with them from Barnett & Alagia, according to Pires. Among its major clients are the



Photo by Julie Watt

Scott, McLeod managing partner Alexander Pires.

National Dairy Board and the Chicago Board of Trade, and the firm does a substantial amount of litigation work for ARA Services of Philadelphia, a large food services concern, says Pires. He adds that the firm also has a thriving immigration law practice. Pires says that the firm's gross revenues doubled from $1.4 million its first year to approximately $2.8 million last year.

Embarrassing Partner

Harrison first embarrassed the firm last summer, when The Washington Post reported that he was under consideration for a seat on the D.C. Circuit. Harrison withdrew his name from consideration when it became apparent that the American Bar Association's Standing Committee on the Federal Judiciary would not give him a favorable rating, according to Harrison and other D.C. lawyers familiar with the circumstances. These sources suggest that the decision was a difficult one for the ABA panel because Harrison is a member of the ABA's board of governors. They add that a key element in the ABA panel's review of Harrison was his alleged link to illegal campaign contributions to former President Richard Nixon.

In the early 1970s, Harrison worked with the late Murray Chotiner, a D.C. attorney. Press reports from that period linked Harrison and Chotiner to letters promising milk industry contributions to the Nixon campaign in exchange for increased milk price supports. Neither Harrison nor Chotiner were ever charged with any wrongdoing, although Nixon's treasury secretary, John Connally Jr., was charged with having accepted bribes from the milk industry in return for his support for the higher milk subsidies. Connally was later acquitted.

"I never wrote a letter" soliciting campaign contributions from the milk lobby or favors for the industry from the Nixon White House, Harrison says. He acknowledges that he was counsel to several large dairy cooperatives that contributed money to the Nixon campaign, but claims those contributions "were legal and were disclosed" under the campaign finance laws of that era. "My role in that was pretty effective because those who followed my advice stayed out of trouble," Harrison says.

Harrison's role in that matter "was never raised" when the original Scott, Harrison partners broke away from Barnett & Alagia, says Pires. Barnett partner D. Paul Alagia, Jr. adds that Harrison's purported link to the milk scandal was not an issue when Harrison joined Barnett & Alagia in 1978 either. Harrison "was never charged with any wrongdoing, and in those days, if they'd found anything wrong, they'd have been all over him," Alagia says.

Alagia calls Harrison a "very honorable fellow" and a "good lawyer," although Harrison's sudden departure from Barnett & Alagia two years ago is still a sore point. Harrison "just decided he could do better *elsewhere* and left without telling *me*," Alagia contends. "I certainly didn't appreciate that."

Harrison's Practice

Another former partner of Harrison's, requesting anonymity, says that Harrison had, at best, a "modestly successful practice" up until Chotiner's death in 1976. "The steam went out of Harrison's practice when Chotiner was killed in a car accident in front of Teddy Kennedy's house in McLean," the source says. He notes that Harrison's practice "was largely political in nature," and that Harrison became friends with Hugh Scott and Supreme Court nominee Antonin Scalia, now a judge on the D.C. Circuit, during Harrison's tenure as chairman of the ABA's Administrative Law Section in the early 1970s. "That's a totally political position. You have to claw your way to the top of that," this source says.

Harrison maintains that his practice continues to be "quite successful," saying that his annual billings are "well into the six figures." He adds, "It's not one of the biggest practices in town, but it's good enough."

Scott declined to be interviewed, referring inquiries to Pires. Pires says Harrison's primary clients in recent years have been conservative political action committees, including several right-to-life advocacy groups. He adds that Harrison has also done some work for supporters of television evangelist Marion "Pat" Robertson's presidential campaign. "He's on that side of the political fence—the extreme right," says Pires, noting that four of the firm's partners are Democrats. Another major client of Harrison's, the DeLong Corp., was referred to the firm by attorney Bert Rand, at whose request Harrison claims he retained the private investigators in North Dakota.

Pires says he has no idea what DeLong Corp. does. "We tried to figure that out" at the meeting last Monday, Pires indicates, adding that Harrison's explanation was not terribly enlightening. "He talks in very vague terms," Pires says.

Harrison complains that Pires is "violating [the firm's] partnership agreement" by revealing the identity of Harrison's clients. He adds that "DeLong is a foreign-based holding company . . . now defunct . . . that has a lot of government contracts litigation dating from a bygone era." Harrison claims that he doesn't know what Rand's "exact role is" in the company. Harrison also says that his partners know very well what DeLong is. "The entire time we've been a firm, we've represented DeLong," Harrison says.

Says Pires, "To my knowledge, I know of no firm partner or associate other than Harrison that has ever worked on any DeLong matter." Harrison "basically worked entirely by himself," adds Pires.

Harrison, who claims agricultural work, federal election law, government contracts, and postal matters as his specialties, confirms that he is counsel "for a lot of PACs [political action committees], including several "pro-life PACs." He also confirms that he works for "a couple of committees connected with" Robertson, including one—"Americans for Robertson"—that Harrison created recently. Harrison says that both he and Pires are directors of that committee.

Pires says, "If he put anyone's name on there, he certainly did so without our knowledge."

Harrison claims that he was planning to leave the firm prior to last Monday's stormy meeting over the payments to the Butcher agency, but had not yet announced his decision to his partners. The impetus for leaving came from conflicts between his PAC work and other partners' lobbying work, Harrison says. "You can get yourself into a conflict pretty fast if you are legal counsel to some candidate or PAC and you're also lobbying in the same firm," Harrison says, adding, "It had led to a number of reasonably friendly disagreements." He says he has had an attractive offer from another firm, but declines to identify the firm.

The Dorgan Investigation

Harrison says his role in the private investigation of Dorgan began in March, although The Bismarck Tribune has traced the investigation into Dorgan's background back to last October, when Dorgan was considering a run for Andrews' Senate seat. Dorgan later decided not to challenge Andrews, which left the field open for Conrad, a Dorgan protege who succeeded Dorgan as state tax commissioner. Dorgan reportedly decided to delay his run for the Senate until 1988, according to The Washington Post. Sources in Dorgan's congressional office say he has made no such decision.

Had he run, Dorgan would have given Andrews a much tougher fight than Conrad, says North Dakota state Sen. Layton Freborg, chairman of the North Dakota Republican Party. Freborg calls Dorgan "a great campaigner" who invariably manages "to pull 20-30 percent of the opposing party vote in any election." With Conrad as the Democratic candidate, "We are very comfortable in that race," Freborg adds. "It would take some political disaster to defeat Andrews now," he says.



Photo by Julie Watt

Marion Harrison says investigators were hired as a favor to firm client.

The Bismarck Tribune became interested in the private investigation of Dorgan in late-June, when the paper received a package of information concerning Dorgan's April 1985 marriage to Kimberly Sue Olson, a lobbyist with Arnold & Porter's APCO. That package, which was sent anonymously, contained a copy of Dorgan's and Olson's marriage license from the state of Washington, copies of North Dakota records concerning Dorgan's two divorces, and Foreign Agents Registration Act statements filed by APCO with the Justice Department, among other documents. The Justice Department documents indicated that Olson had lobbied the House Ways and Means Committee—of which Dorgan is a member—on trade legislation.

Using the state of Washington's open records law, The Tribune learned that Bellevue, Wash., solo practitioner Peter Lind obtained the copy of Dorgan's marriage license from the Department of Social and Health Services in Olympia, Wash., last Oct. 11. Lind did not return calls seeking comment last week.

Harrison says he doesn't know who retained Lind, but he recalls having seen a copy of the Washington marriage license in a number of documents he was given to send to the Butcher agency in March. He says those documents were provided by Fritz Giesecke, who is of counsel to Rand's four-lawyer Georgetown firm, Trammell, Rand, Nathan & Lincoln. Giesecke did not return calls last week, nor did Donald Lincoln or Hans Nathan—Rand's partners in the firm. Two other D.C. attorneys who practiced with Rand's firm several years ago declined comment on Rand and his practice. Harrison says Rand specializes in international tax and corporate work.

Using the Freedom of Information Act, The Tribune found that the Foreign Agents Registration Act statements dis-

DORGAN, *See page 9*

■ **DORGAN**

Continued from page 8

closing Olson's work on the trade bill had been checked out of the Justice Department earlier this year by Giesecke.

Conflict of Interest?

Olson, 28, an international trade and foreign policy expert who worked for two House Democrats before her marriage to Dorgan, says she joined Arnold & Porter's APCO unit as a lobbyist in May 1985. Olson says that she didn't actually lobby Ways and Means members on the trade issue. She did, however, deliver client information about trade issues to members' offices—including her husband's.

She adds that Arnold & Porter's client was the Canadian Forest Industries Council, which was lobbying to defeat an amendment to a trade bill that was designed to make it easier for U.S. companies to prevail in countervailing duty and antidumping proceedings. "It would have changed the law to virtually guarantee the imposition of tariffs on Canadian timber," explains Olson, who holds a masters degree in international economics from George Washington University. The Ways and Means committee approved the legislation—and the amendment—earlier this year. Dorgan voted for the measure and against the position taken by his wife's client.

Dorgan says he requested opinions about the propriety of his wife's lobbying from the House Committee on Standards of Official Conduct on three occasions over the past year, and that on each occasion the committee found that her lobbying raised no conflict of interest. "I went the extra mile to try to make certain there's not a conflict here," Dorgan says.

He emphasizes, "I voted against her position," and notes that "a couple dozen" members of Congress have family members who are lobbyists.

Olson says, "I've turned down a number of matters that involved a conflict and have avoided working on tax issues, which are my husband's specialty." She adds, "One of the reasons I've kept my maiden name was to avoid the appearance of a conflict. . . . Folks who would think there would be a conflict don't understand the system very well. There are too many things that go into how a congressman votes on any give[n] issue to think that a member's spouse could have much influence. The members are brighter than that."

David Kentoff, chairman of Arnold & Porter's management committee, maintains that Olson's lobbying of her husband is entirely proper. Asked whether such lobbying might not violate lawyer ethics rules regarding the appearance of impropriety, Kentoff responds, "You show me the rule that says a citizen can't appear before a legislative body on which a relative is a member."

The anonymous mailing to The Bismarck Tribune also drew attention to the fact that Dorgan had not reported the source of his wife's income on his financial disclosure form, according to Gerry Gilmour, a staff writer at the paper. Dorgan acknowledges that he was "negligent" in omitting to disclose his wife's lobbying income, saying, "This was the first report I'd filed as a married person." He adds that "when I discovered this, I amended it."

Dorgan calls questions about his disclosure form and potential conflicts "irrelevant," saying, "You have several Washington attorneys involved in some real ethical questions. I think eventually we'll discover some violations [of Federal Election Commission rules]. I've been on the receiving end of some pretty nasty tactics in the last couple of months."

Harrison says Rand asked him to work with Giesecke in locating a North Dakota private investigator to check Dorgan's background in March. Harrison claims that he didn't know who Dorgan was, but agreed to help Rand as a favor to a friend and long-time client. Harrison located the Butcher detective agency in Bismarck and paid the firm a $500 retainer that same month, he says.



Rep. Byron Dorgan (D-N.D.) charges that the North Dakota Republican Party is behind the investigation into his personal life.

'I've been on the receiving end of some pretty nasty tactics in the last couple of months,' says Dorgan. He calls any potential conflicts arising from his wife's lobbying 'irrelevant.'

"Originally it was sort of a non-defined investigation," Harrison says, adding that Butcher submitted "a fat report with a lot of stuff in it" several months later. Harrison claims he passed Butcher's report along to Giesecke without reading it. He says his firm sent the Butcher agency a check for $1,800 in May or June in payment for the only bill they ever received from the investigators.

Then, in late-June, after the North Dakota paper had received the information anonymously and had printed articles about Dorgan's alleged conflict over his wife's trade lobbying, Harrison received a letter from William Butcher, head of the detective agency, calling attention to the articles. "After the thing began taking on a political tinge in the papers, I suggested that Butcher suspend the thing," Harrison says.

"All I did was a background check," says Butcher. "That's what I do—background investigations."

Butcher adds that "when [the firm's National Committee] come out here in an advisory capacity and they certainly have free run of our office. Or people from the [Andrews] campaign committee could have done it. It could be anyone and I wouldn't know it. All I'm saying is we didn't do it."

Says Dorgan, "I fail to see how anyone can credibly say that if their fingerprints are there you ought to be looking for the gloves."

Sen. Andrews' Statement

Last Wednesday, Andrews issued a statement acknowledging that he "has known Bert Rand for some time" and had hired Rand's son, John, for a staff position on the Senate Budget Committee. Andrews' statement added, "Neither my [campaign] committee nor I have ever spent one penny to hire private investigators to investigate our opponents, and we never will."

Andrews, in his statement, said he had discussed the Dorgan matter with Rand and that Rand had "stated he didn't do political work. A client had requested a compilation of public document information regarding Congressman Dorgan and he had done that." Andrews' statement also said Rand "had told [Dorgan] the same thing" and that Rand planned to meet with Dorgan this week.

The statement added, "If Mr. Dorgan files a complaint with the Federal Election Commission, I will join him in this effort. We must get to the bottom of this as soon as possible."

Few would agree more than Harrison's former law partners, who became "livid" when Harrison told them last Monday that he didn't know who Rand was working for, according to Pires. "We frankly don't believe that," Pires says, adding that "we spent a lot of time [at the partnership meeting] trying to figure out who the client was."

Pires "has gotten a little emotional over this," says Harrison.

Harrison adds that all checks issued by the firm must be signed by two partners. He says that he didn't even sign the second and largest of the two checks to the detective agency.

Pires concedes that other firm partners signed the checks. But he maintains that they had no idea what the Butcher agency was and what the payments were for. He says that the firm writes numerous checks each day and that sums as small as those paid to the Butcher firm "wouldn't have rung any bells."

Harrison, however, says that "in May or June when the second check went out I wasn't even around. The check was paid on the basis of a voucher [from Butcher] listing however many hours for investigatory work."

Says Pires, "The way our check system works is at the end of the day the secretary gets whichever two partners she can find to sign them. I probably signed 60 checks last night and don't know what half of them are for. Butcher & Associates sounds like it could be anything."

"Whether they were paying attention [to the voucher] or not, I don't know," says Harrison.

"I'd love to know who's behind this so that everybody would be convinced it didn't come from us," Pires says.

"For all I know, Rand could be the client" who requested the investigation of Dorgan, says Harrison, ruling out suggestions that Rand might have commissioned the investigation as a favor to his friend, Sen. Andrews. "I can't imagine Rand or Giesecke doing it for some altruistic political purpose," Harrison says. ■

Exhibit 3

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August 14, 1986

HAND DELIVERED

Robert L. Deitz, Esquire
Perkins Coie
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

Re: Your letter of August 8, 1986 to Mr. Bert B. Rand

Dear Mr. Deitz:

Mr. Rand has referred your letter to our firm for answer. This response is made to you in your capacity as Mr. Dorgan's counsel. Any future communications shall be between our offices.

Neither Mr. Rand nor any associate was at any time interested in or made or caused to be made any inquiries about your other client, Mr. Conrad. We are disregarding your references to Mr. Conrad in the premises.

Mr. Rand and an associate made informal inquiries into a possible conflict-of-interest involving Mr. and Mrs. Dorgan, a matter which might concern the U.S. Timber Industry. Essentially, they obtained on February 25, 1986, from the public files of the Foreign Agent Registration Section of the U.S. Department of Justice, a filing which indicated that Mrs. Dorgan, using her maiden name Olson, had lobbied Congress for the Canadian Timber Industry. In March, Mr. Rand or his associate requested another attorney, Mr. Harrison to cause

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additional inquiries to be made. Mr. Harrison apparently employed an investigator named Mr. Butcher. Neither Mr. Rand nor his associate was aware of any investigation by Butcher, or even the name Butcher, until a report was sent to them by Harrison, probably in June. This report was irrelevant to the possible conflict-of-interest issue, and was shelved.

Neither Mr. Rand nor his associate, nor to his knowledge, Mr. Harrison, was ever retained or compensated in connection with these matters.

You have forwarded a copy of your letter to Mr. Rand to Mr. Andrews, hence I am furnishing Mr. Andrews a copy of our letter.

Mr. Rand has informed us that his only relationship with Mr. Andrews is social and that Mr. Andrews was not involved in any way, shape or form in the inquiry into possible conflict-of-interest.

Very truly yours,

J. Jonathan Schraub

cc: Honorable Mark Andrews (N.D.)
Bert B. Rand, Esquire

JJS:kmp

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Monday, August 18, 1986 THE NATIONAL LAW JOURNAL

ABA Governor Leaves His D.C. Firm

By Eric Effron
National Law Journal Staff Reporter

WASHINGTON — Marion Edwyn Harrison, an American Bar Association governor recently in contention for a federal judgeship, has been forced out of the prominent law firm he helped form because of revelations that he took part in a probe of the private life of a congressman.

"For a partner in the firm, by himself, to hire an investigator to basically smear the personal life of a public servant is appalling," said the firm's managing partner, Alexander J. Pires Jr.

Mr. Harrison admits having hired a detective to investigate Rep. Byron L. Dorgan, D-N.D., but says he did so on behalf of a longtime client of the firm and that other members of his firm signed checks to the detective agency. Moreover, he says, a rift within the firm had been developing for a long time and his departure to another job — which he would not disclose — was already planned.

The firm, which has a large lobbying practice, went to great lengths last week to distance itself from Mr. Harrison, abruptly dropping "Harrison" from its name and quickly replacing its stationery. Until this week known as Scott, Harrison & McLeod, the firm was co-founded by former U.S. Sen. Hugh Scott, R-Pa., in 1984.

Mr. Harrison, 54, a former chairman of the ABA's Administrative Law Section, has a long record of involvement in both bar and political activities, some of them controversial.

Milk Scandal

As a lawyer for a dairy industry group in 1972, Mr. Harrison was allegedly connected to a scheme in which industry donations to the Nixon re-election campaign were linked to higher government price supports. Then-Secretary of the Treasury John B. Connally subsequently was indicted, and acquitted, on charges relating to that scheme. Mr. Harrison was not personally accused of any criminal wrongdoing.

Earlier this year, the Reagan administration proposed Mr. Harrison for a spot on the federal appeals court here. Mr. Harrison says he withdrew his name after the ABA Standing Committee on the Federal Judiciary questioned his role in the dairy scandal.

According to Mr. Pires, Mr. Harrison's current clients include: the American Life Lobby, an anti-abortion group;

Continued on page 49

ABA Official Forced Out Of D.C. Firm

Continued from page 3

the conservative National Tax Limitation Committee, for which he has lobbied; and the Rev. Pat Robertson, the conservative television evangelist considering a presidential run. Mr. Harrison said he has done some work for candidates and political action committees, but most of his practice is corporate.

Protege Also Probed

What Mr. Harrison terms the current "fiasco" came to light last week when Representative Dorgan disclosed that a detective in Bismarck, N.D., hired by Mr. Harrison, had been gathering and distributing information about the congressman's divorce and about the lobbying activities of his current wife, Kimberly Sue Olson, who is affiliated with Washington's Arnold & Porter.

The detective also had been investigating North Dakota Tax Commissioner Kent Conrad, a Dorgan protege and the Democratic candidate for the U.S. Senate seat currently held by Republican Mark Andrews.

According to Mr. Pires, Mr. Harrison's partners asked him to resign after all six partners met with Representative Dorgan and then questioned Mr. Harrison in a marathon session. Mr. Harrison is to leave the firm no later than Sept. 30, Mr. Pires said.

"After he was caught, he said he did not know on whose behalf he did it," said Mr. Pires. According to Mr. Pires, Mr. Harrison told the firm that a longtime friend, who also is a friend of Senator Andrews, approached him and asked him to hire the detective. "We questioned him for five hours, and the story got vaguer and odder and stranger," said Mr. Pires.

'Dirty Tricks' Denied

Mr. Harrison declined to talk about his discussions with his partners, saying they were confidential. But he confirmed he had hired the detective on behalf of the friend, Washington lawyer Bert B. Rand, and Mr. Rand's associate, Fritz H. Giesecke. Mr. Rand had been one of the firm's "substantial clients" in the past, Mr. Harrison said, and he did not ask the purpose of the investigation.

"I suppose Fritz didn't want to be linked directly," he said. He later passed documents back and forth between the detective and the Rand firm, D.C.'s Trammell, Rand, Nathan and Lincoln, Mr. Harrison said.

"I don't think it's dirty tricks to hire an investigator," said Mr. Harrison. "But for the fact Byron Dorgan appears to be so churned up and nervous," he added, "I don't imagine there would be much ruckus."

Mr. Pires said the other partners in the firm do not know Mr. Rand and were unaware of Mr. Harrison's role in hiring the private detective. In purely business terms, it is highly troubling for a law firm that relies heavily on lobbying to be linked to efforts to discredit a sitting congressman, he noted.

Mr. Rand and Mr. Giesecke were unavailable for comment, a receptionist at the firm said.



SEN. MARK ANDREWS
... "will join" Rep. Dorgan if he files FEC complaint

Detective Hired by Senator's Friend

Andrews Denies Knowing of Probe of North Dakota Democrats

By James R. Dickenson
Washington Post Staff Writer

The Washington lawyer who hired a private detective to investigate Rep. Byron L. Dorgan (D-N.D.) and Kent Conrad, the North Dakota Democratic Senate candidate, is a good friend of Sen. Mark Andrews (R-N.D.), Andrews confirmed yesterday, but he denied any knowledge of the probe.

Andrews termed "ridiculous" the idea that he would be involved in such a project, which North Dakota Democrats have assailed as Watergate-style dirty tricks. Andrews said that if Dorgan files a complaint with the Federal Election Commission, as is being considered, he "will join him in that effort." Andrews is running for reelection in November against Conrad, a Dorgan protege and his successor as North Dakota's tax collector.

The lawyer responsible for hiring the Bismarck private detective agency that investigated Dorgan and Conrad was Bert Rand, whose son worked on Capitol Hill for Andrews for more than two years. Rand is in Oregon and could not be reached, but Andrews said he had spoken with him by phone and that Rand assured him that he did not do "political" work and that the investigation was at the request of one of Rand's clients.

Andrews said he had no idea who Rand's client was and that he didn't ask when they talked yesterday. Andrews said their friendship dated from the 1950s and that he had asked Rand to meet with reporters but had gotten no commitment.

Marion E. Harrison, the Washington attorney who contacted the private investigator in Bismarck on Rand's behalf, also denied any knowledge of Rand's client. Harrison is leaving his law firm because his partners disapproved of his role in the episode.

"Let me make it perfectly clear to the thousands of contributors we have across North Dakota that neither my committee nor I have ever spent one penny to hire private investigators to spy on our opponents and we never will," Andrews said in a statement yesterday.

Rand's son, John, said yesterday that he had been Andrews' staffer on the Budget Committee for about 2½ years and left in January to enter private law practice. He said he knew nothing of the probe.

Dorgan's political opponents have accused him of conflict of interest because his wife is a lobbyist for a Washington firm whose clients include the Canadian timber industry. She is an American citizen, not a Canadian, as reported Tuesday.

According to Dorgan and Conrad, the first inquiries into Dorgan's private life were made last October when Dorgan was considered Andrews' likely opponent this year. The investigation included compilation of county courthouse documents concerning Dorgan's divorce and remarriage, Justice Department documents on the lobbying activities of his wife's firm and newspaper clippings. The private detectives also gathered material on Conrad's 1984 divorce.

"Dorgan isn't running against me, or vice versa, so what's the percentage for me in hiring a private investigator?" Andrews asked in a telephone interview.

"The biggest find in [illegible]ne stores... the salesperson"

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Minot, North Dakota, 58701, Wednesday, August 6, 1986 Vol. 74 No 98 Price 35 cents

Attorney who began Dorgan probe resigns

By RICHARD L. VERNACI
Associated Press

WASHINGTON — A law firm engaged in lobbying forced one of its founding partners to resign because he hired private detectives to investigate Rep. Byron Dorgan, D-N.D., a spokesman for the firm said Tuesday.

"This is something that we are very uncomfortable with," said spokesman Alexander Pires Jr. "We don't want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman."

Marion Edwyn Harrison, a founding partner in the firm Scott, Harrison and McLeod, was asked to resign during a meeting of the partners convened late Monday in the wake of discovering he had hired detectives in Bismarck, N.D., Pires said.

Private investigators from W.T. Butcher & Associates Ltd. have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad.

Butcher said Tuesday that Harrison hired him in March to gather background information on Dorgan. Butcher had initially declined to identify his client but said he was doing so now because Harrison had acknowledged the arrangement.

Butcher said he did not know when the investigation ended and declined to reveal the contents of his report to Harrison beyond saying that he provided Harrison with copies of transcripts from Dorgan's two divorces.

"He did not identify his client, but he said most of his practice involved

See ATTORNEY — Page A16

Dorgan considers formal complaint to election commission

WASHINGTON — Rep. Byron Dorgan, D-N.D., said he and Democratic U.S. Senate candidate Kent Conrad may decide within days whether they will file a formal complaint in an effort to discover who hired a private detective to investigate them.

The complaint would be filed with the Federal Elections Commission, and charge that whoever hired the detective violated federal election law by failing to report expenditures intended to influence an election.

"The entire purpose would be to find out who is paying for this kind of action," Dorgan told The News' Washington bureau this morning. "The people of North Dakota deserve to know. This kind of behavior has no place in politics."

Election law requires that election-related expenses and donations be reported to the FEC. Dorgan said the goal of a complaint would be an FEC investigation that could disclose the party who decided to hire a detective.

Dorgan said he and Conrad would make a joint decision on whether to file the complaint after discussing the issue. A decision could come in the next few days, he said.

Dorgan said he has his suspicions, but "no specific knowledge" of who was behind the incident.

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THE BISMARCK TRIBUNE

Wednesday, August 6, 1986 ☐ Vol. 113, No. 218 ☐ Bismarck/Mandan, N.D. ☐ Committed To Excellence

Newsstand price — 35 cents
Home delivery — 29 cents

Andrews linked to key D.C. attorney

Senator denies any role in probe of Dorgan, Conrad

By GERRY GILMOUR
Tribune Staff Writer

Sen. Mark Andrews today denied he had played any role in the investigation of Rep. Byron Dorgan and said he will work with the congressman to find out who is responsible.

Andrews, a Republican, issued a statement after The Tribune learned that the senator is a friend of Bert Rand, the Washington D.C. attorney who is the key figure in efforts to assemble information about Dorgan and Andrews' Democratic challenger, Kent Conrad.

Andrews association with Rand goes back many years, one source told the Tribune. Andrews' press aide Tim Burke confirmed the two had known each other at least since Andrews served in the House from 1963 to 1981.

The Tribune also learned that John Rand, Bert's son, worked as an aide to Andrews on the Senate Budget Committee for the past three years.

John Rand quit his Senate job in January and went into private practice as an attorney.

Andrews said today he would join with Dorgan to "get to the bottom of this as soon as possible."

Meanwhile, Dorgan and Conrad said this morning they may ask the Federal Election Commission to intervene.

"I think the North Dakota people deserve to know who's involved in this kind of politics," Dorgan said.

Said Conrad: "There's a strong likelihood that we will file an FEC complaint. Someone has got to get to the bottom of this. It's extremely interesting that Andrews is a good friend of Rand's."

The use of political funds to influence an election would violate Federal election laws unless the payments were disclosed on campaign expense reports.

Once a complaint is filed, FEC investigators have the authority to subpoena witnesses and documents.

Andrews said this morning that Bert Rand told him he was hired by a client to assemble the package.

The package was mailed anonymously to The Tribune in June from Seattle. It revealed Dorgan's wife has worked as a lobbyist on behalf of Canadian timber interests.

(More on DORGAN, Page 8A)

Cont on Page 2

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Andrews denies Dorgan investigation involvement

By Sid Spaeth
and Patrick Springer
STAFF WRITERS

Sen. Mark Andrews, R-N.D., admitted Wednesday that a long-time friend was involved in hiring private detectives to investigate the background of Rep. Byron Dorgan, D-N.D.

Andrews, however, denied any involvement with the investigation.

"I am categorically saying I have nothing to do with this so-called political investigation that was done of Congressman Dorgan," he said.

Andrew's admission — in a statement issued Wednesday morning and repeated later at a hastily called press conference — came amid press inquiries exploring links between the senator and Bert Rand, a Washington lawyer who ordered the investigation.

It also sparked heated partisan debate. Democrats called for an investigation to determine if Andrews played a part in the probe, while Republicans accused Democrats of exaggerating the issue for political gain.

Andrews said he would be willing to join Dorgan in calling for a Federal Election Commission inquiry to see if political campaign funds were used to hire detectives.

But Kent Conrad, state tax commissioner and Andrews' Democratic challenger, assailed Andrews' offer, saying, "I think the events of today raise serious questions about Mark Andrews' involvement in this whole matter."

Conrad has said he also was investigated by private detectives, but the agency — W T Butcher & Associates of Bismarck — has denied investigating Conrad.

Conrad said the disclosure of Andrews' friendship with Rand increases the likelihood he and Dorgan will file an FEC complaint.

Andrews, who described Rand as "one of my better friends," distanced himself from Rand and the investigation.

Andrews said he telephoned Rand after reading a news account of Rand's involvement.

"What gives?" Andrews said he asked his friend. "How come you are monkeying around in a political deal?"

Andrews said Rand assured him the investigation was not political, but his friend's involvement disturbed him.

"I am not happy about my friend having done it, but I am n outraged ...," he said. "It's done a the time. How it is ... dete mines whether it is right or wron If it's used for politics, quite obv ously, it is wrong."

Andrews said he was told Ran was working for another clien and said he did not ask Rand wh the client was. "It was an extrem ly short conversation," he said.

The freshman senator also sa investigators "probably overrea ed" to a request by Rand for info mation on a member of the Hou Ways and Means Committee. Do gan is a member of that comm tee.

Andrews said in ... gator apparently never we ... beyon

☐Dorgan
Back page, Column 2

Reagan wins House textile vote

Washington (AP)

The House, under furious pressure to deliver President Reagan a victory on the trade issue, on Wednesday narrowly sustained his veto of major rollbacks in textile and apparel imports.

Reagan, whose personal lobbying was described by both sides as a major factor in the outcome, expressed satisfaction at the 276-149 vote, eight short of the two-thirds needed to override the veto.

Minnesota Democratic Reps. James Oberstar, Martin Sabo, Gerry Sikorski and Bruce Vento voted to override the president's veto.

Minnesota Republican Reps. Bill Frenzel, Arlan Stangeland and Vin Weber, along with Democratic Reps. Tim Penney of Minnesota and Byron Dorgan of North Dakota, voted to let the veto stand.

Dorgan
Continued from Page A1

public documents "if they were wiretapping, if they were shadowing or something like that, then Ben Rand would no longer be my friend."

Andrews said his association with Rand dates back to the late 1950s, when Andrews and other cattle producers were looking for a packing plant operator to replace Armour, which was pulling out of West Fargo.

The group helped bring in a Sioux City, Iowa, packing company, represented by Rand.

Rand and Andrews grew to be close friends and see one another several times a year, Andrews said. The two attended a music festival together last summer in Salzburg, Austria, he said.

Rand has been unavailable for comment since his name surfaced in connection with the controversy earlier this week. His secretary said he was traveling and was expected back in his office today or Friday.

Another Washington lawyer, Marion Harrison, confirmed Monday that Rand had asked him to hire a private investigative firm to probe Dorgan's past. Harrison later was asked to resign because of his role in ordering the investigation of a political candidate, law partners said.

Rand's son, John, worked as an analyst assigned to Andrews on the Senate Budget Committee from September 1983 until January. He is now a lawyer practicing in Arlington, Va.

While he said his father was not involved in politics, Rand declined comment on the Dorgan investigation and his father's relationship with Andrews.

Andrews lashed back at Democrats who said he might be involved, asserting Dorgan was playing up the issue to damage him politically.

He noted that Dorgan has said he will vie for the Senate seat held by fellow Democrat Quentin Burdick in 1988.

"I doubt that people can tie this one to me any more than they can tie it to Quentin Burdick or whoever else," Andrews said.

Burdick said Andrews' statement was "pathetic, unbelievable and insulting."

Steve Vinje, the Republican candidate for Dorgan's seat, also said Democrats were overemphasizing the matter for political gain.

Dorgan was offended by the Republican claims, saying, "That's part of the same sick politics that we're talking about here. Those kind of comments lead me to believe that they've involved in all this."

Democrats claim the investigation would be illegal if the funds used to pay for the investigation are not listed on campaign expenditure reports.

Andrews said in a statement released by his office Wednesday morning, "Neither my (campaign) committee nor I have ever spent one penny to hire investigators to investigate our opponent and we never will."

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BYRON DORGAN

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Kimberly Olson: registered as 'foreign agent'

Dorgan's wife lobbying for Canadians

Trib Clarke

By STAN STELTER
Tribune Staff Writer

Kimberly Sue Olson, wife of North Dakota's Democratic Congressman Byron Dorgan, is a registered "foreign agent" representing the Canadian timber industry.

She lobbied extensively in the second half of 1985 against legislation designed to protect the American lumber industry from Canadian imports.

In a conversation with the Tribune last night, Dorgan said his wife's occupation represents no conflict of interest with his own job. He pointed out that she has a background in international trade, and that it is commonplace in Washington for the spouses of legislators to work as lobbyists.

Little has been known about Dorgan's third wife since their marriage last April. The wedding announcement made no mention of her occupation. In a story last December she was described as a lobbyist. But the congressman turned down one newspaper request for an interview in their home, citing his desire for privacy. And there have been no press conferences with Mrs. Dorgan.

Word of Mrs. Dorgan's role in the Canadian trade issue came to the Tribune in a package of photostats mailed from Seattle last week. The material bore no return address or signature. It purported to show that Mrs. Dorgan was embroiled in a series of questionable activities similar t. those of former presidential assistant Michael Deaver, whose service to the Canadian government has been making headlines in Washington for weeks.

Contacted on a vacation trip to Washington state last night, Dorgan said the package was an obvious attempt to embarrass him politically. He said it had been sent to several other news organizations. He said the New York Times and the Washington Post had decided it wasn't newsworthy.

Governments documents in the package indicated that:

• Mrs. Dorgan, 27, was registered as a foreign agent representing APCO Associates, a

(More on DORGAN, *Page 11A*)

Bis Trib 6/29/86

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A4 Wednesday, July 2, 1986

Forum editorial

Spouse Fgo as lobbyist poor idea

Congressman Byron Dorgan is put in an awkward position by the fact that his wife is a registered lobbyist for a firm representing foreign interests in the U.S. Congress.

The term conflict-of-interest is sometimes used under such circumstances. Dorgan denies a conflict, but when someone serves in public office even an appearance of conflict is to be avoided.

Dorgan's wife is a consultant for APCO Associates, a Washington consulting firm which lobbies extensively against legislation designed to protect the American lumber industry from Canadian imports. She is registered to lobby as a foreign agent.

APCO contacted dozens of officials to lobby against trade restrictions on Canadian wood during the last half of 1985, including Dorgan's aide, Donna Feinberg.

Dorgan's wife, who uses her maiden name of Kimberly Sue Olson in her lobbying work, doesn't recall whether or not she was the one to contact Feinberg.

"As a general policy, I don't have any contact with Byron's office," she told the press. She said she doesn't work on issues that will conflict with Dorgan's position or with the interest of North Dakota.

Of course, Dorgan as a congressman represents more than North Dakotans. He is a national representative.

In addition to Canadian timber interests, APCO is reported to have as clients such foreign interests as the Canadian Meat Council, Korean Traders Association and the Chilean National Copper Corp.

On the restrictive measure on Canadian lumber products, Dorgan voted against his wife's lobbying interests, going along with a wide majority of northern Democrats to vote for the measure that protects the U.S. industry.

The measure is not likely to pass the Republican-controlled Senate.

Dorgan says his wife's lobbying presents no conflict-of-interest. This was her profession before they were married in April 1985. "She has her career and I have mine and they are not in conflict," he said.

After they married, he contacted the House Ethics Committee to ensure there would be no conflict, he said. Dorgan said he has not had to abstain from any recorded votes because of his wife's occupation.

Still, there is a public suspicion of even an appearance of conflict-of-interest. Former presidential aide Michael K. Deaver is currently under investigation for possible violation of conflict-of-interest laws.

A special federal court will hear testimony on lobbying activities of the former White House deputy chief of staff because of his lobbying efforts on behalf of Canada on the acid rain question.

Dorgan says it is commonplace for spouses of legislators to be lobbyists. We don't think that is a good situation.

Devils Lake, N.D. Journal Monday, June 30, 1986 — PAGE 9

Dorgan's wife lobbies for timber interests

BISMARCK, N.D. (AP) — The wife of Rep. Byron Dorgan, D-N.D., is registered to lobby as a foreign agent, representing timber interests in Canada and the United States, the couple said.

Kimberly Sue Olson, as a consultant for APCO Associates, a Washington, D.C., consulting firm, lobbied extensively in 1985 against legislation designed to protect the American lumber industry from Canadian imports, The Bismarck Tribune reported in its Sunday editions.

The newspaper said an anonymous sender mailed a packet from Seattle which contained government documents detailing Mrs. Dorgan's work for APCO and activities of the firm, a subsidiary of the law firm Arnold and Porter.

Dorgan said the story tried to make his wife's work appear improper. Mrs. Dorgan has been working on international trade issues for five years, he said.

"The main thing was my wife was doing this kind of work before I married her," Dorgan said in a telephone interview Sunday. "There's nothing improper about it at all."

The couple married in April 1985, and Mrs. Dorgan, 27, retains her maiden name on the job, she said. It was Dorgan's third marriage.

APCO is required by law to register some employees as foreign agents, Dorgan said.

APCO represents Canadian lumber interests which want to limit U.S. restrictions on timber trade, The Tribune said. Among its other foreign interests are the Canadian Meat Council, Korean Traders Association and the Chilean National Copper Corp., according to the paper.

In a telephone interview Sunday, Mrs. Dorgan said she devoted fewer than 5 hours a week to lobbying on Capitol Hill. Much of her time is spent developing governmental affairs strategies for clients, analyzing trade policy proposals and trying to decide how and if legislation would affect clients, she said.

APCO represents both foreign and domestic concerns, Mrs. Dorgan said, adding that she works largely on timber-related issues.

The firm is "very active on the free-trade stance," she said.

Documents cited by the newspaper said APCO contacted dozens of officials to lobby against trade restrictions during the last half of 1985, including Dorgan's aide, Donna Feinberg.

Mrs. Dorgan said she could not remember whether she or one of three colleagues who also work on trade issues contacted her husband's office on the matter.

"I simply don't recall," she said. "As a general policy, I don't have any contact with Byron's office."

The couple is very conscious of avoiding the appearance of conflict of interest, she said.

"I don't work on issues that will conflict with his position or with the interests of North Dakota," she said.

The anonymous packet The Tribune received was sent to other news organizations, which declined to use it, Dorgan said.

"The packet was obviously sent by someone trying to make a political statement," he said.

Dorgan said his wife's work presented no conflict of interest.

"She has her career and I have mine and they are not in conflict," he told the newspaper. After they married, he contacted the House Ethics Committee to ensure there would be no conflict, he said.

Dorgan has not felt he had to abstain from any recorded votes as a member of the Ways and Means Committee, he said.

"She's not, by any means, a high-rolling lobbyist," said Rufus Yerxa

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Dorgan's wife lobbies for Canada

F60

Bismarck, N.D. (AP)

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APCO represents both foreign and domestic concerns, she said, adding that she works largely on timber-related issues.

The firm is "very active on the free-trade stance," she said.

Documents cited by the newspaper said APCO contacted dozens of officials to lobby against trade restrictions during the last half of 1985, including Dorgan's aide, Donna Feinberg.

Kimberly Sue Dorgan said she could not remember whether she or one of three colleagues who also work on trade issues contacted her husband's office on the matter.

"I simply don't recall," she said. "As a general policy, I don't have any contact with Byron's office."

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"The packet was obviously sent by someone trying to make a political statement," he said.

Dorgan said his wife's work presented no conflict of interest.

"She has her career and I have mine and they are not to conflict," he told the newspaper. After they married, he contacted the House Ethics Committee to ensure there would be no conflict, he said.

Dorgan has not felt he had to abstain from any recorded votes as a member of the Ways and Means Committee, he said.

In lobbying against the Omnibus Trade Bill that passed the House, Kimberly Sue Dorgan produced the usual statements and people to back up Canadian timber industry views, according to a congressional aide quoted by The Tribune.

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Grand Forks Herald/Monday, June 30, 1986 5A

Dorgan says lobbying by wife not improper

Associated Press

BISMARCK — The wife of Rep. Byron Dorgan, D-N.D., is registered to lobby as a foreign agent, representing timber interests in Canada and the United States, the couple said.

Kimberly Sue Olson, as a consultant for APCO Associates, a Washington consulting firm, lobbied extensively in 1985 against legislation designed to protect the American lumber industry from Canadian imports, The Bismarck Tribune reported Sunday.

The newspaper said an anonymous sender mailed a packet from Seattle that contained government documents detailing Kimberly Dorgan's work for APCO and activities of the firm, a subsidiary of the law firm Arnold and Porter.

Byron Dorgan said the story tried to make his wife's work appear improper. She has worked on international trade issues for five years, he said.

"The main thing was my wife was doing this kind of work before I married her," he said Sunday. "There's nothing improper about it at all."

The couple married in April 1985, and Kimberly Dorgan, 27, retains her maiden name on the job, she said.

It was Byron Dorgan's third marriage.

APCO is required by law to register some employees as foreign agents, Dorgan said.

APCO represents Canadian lumber interests that want to limit U.S. restrictions on timber trade, The Tribune said.

In a telephone interview Sunday, Kimberly Dorgan said she devoted fewer than five hours a week to lobbying on Capitol Hill. Much of her time is spent developing governmental affairs strategies for clients, analyzing trade policy proposals and trying to decide how and if legislation would affect clients, she said.

APCO represents both foreign and domestic concerns, she said, adding that she works largely on timber-related issues.

Documents cited by the newspaper said APCO contacted dozens of officials to lobby against trade restrictions during the last half of 1985, including Dorgan's aide, Donna Feinberg.

Kimberly Dorgan said she could not remember whether she or one of three colleagues who also work on trade issues contacted her husband's office on the matter.

"I simply don't recall," she said. "As a general policy, I don't have any contact with Byron's office."

The couple is very conscious of avoiding the appearance of conflict of interest, she said.

"I don't work on issues that will conflict with his position or with the interests of North Dakota," she said.

The anonymous packet The Tribune received was sent to other news organizations, which declined to use it, Byron Dorgan said.

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He said his wife's work presented no conflict of interest.

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Byron Dorgan has not felt he had to abstain from any recorded votes as a member of the Ways and Means Committee, he said.

In lobbying against the Omnibus Trade Bill that passed the House, Kimberly Dorgan produced the usual statements and people to back up Canadian timber industry views, according to a congressional aide quoted by The Tribune.

The subcommittee recommended passage of the bill, which also won the approval of the full committee, the newspaper said.

Dorgan voted for the trade bill, The Tribune said.

FGO JUN 28

Dorgan opposes highway bill

Washington

Rep. Byron Dorgan, D-N.D., said he opposes two provisions in a major piece of transportation legislation that would cut about $31 million from the North Dakota Highway Department's annual budget.

Dorgan said two changes in a surface transportation bill alter the way the federal government helps states maintain federal interstate highways.

One change is a new funding formula which would hurt many sparsely populated western states, including North Dakota. The reformulated "4-R" provision would cut the state's portion of funding from $23 million annually to $9.3 million — a 56 percent drop.

Montana would suffer a 68 percent cut, South Dakota, a 57 percent drop, and Minnesota, a 6 percent cut.

Several other states, however, are getting a healthy boost in "4-R" federal interstate highway funds including New Jersey, with an 86 percent increase and Pennsylvania, with a 32 percent increase.

Another long-standing provision has been deleted from the legislation. The "one-half of 1 percent clause," which accounts for about $17 million in annual interstate funds for North Dakota, is not in the new bill.

These two changes would cost the state $31 million a year, said N.D. State Highway Commissioner Walter Hjelle.

Dorgan joined a group of 20 bipartisan congressmen who oppose the changes and contacted the chairman of the House Public Works and Transportation Committee.

JUN 30

For a national sales tax FGO

According to a recent letter from Rep. Byron Dorgan, $100 billion in taxes are owed and unpaid to Uncle Sam each year. This is an astounding figure to us who regularly pay up.

I'm sure they do not pay it because they want to spend it for themselves. They also do not pay it because they believe it is a very unfair tax. We who pay it also feel it is an unfair tax, when so many are not paying it.

I think if it were abolished and a sales tax substituted, it would be much easier to collect and not so easy to avoid. There could be exemptions, as now, for life essentials, but everyone who spent money would share in the cost of government and services instead of so much of the burden falling on us "faithful few."

Arda Jacobsen
Luverne, N.D.

Dorgan 'disappointed' Vinje gets personal

CONTINUED FROM PAGE 1A

are entitled," Vinje said in a prepared press statement. "Today more questions remain unanswered than have been answered. It's time for Byron Dorgan to come clean. The people are entitled to know how much money special interests, seeking to influence Congress, have directly or indirectly been paid to the Dorgans.

"When the Tribune reporter first called to question Mrs. Dorgan, why didn't Byron let his wife talk to the reporter? Did he need time to figure out an acceptable story? Come on, what kind of man won't let his wife talk on the phone?"

Dorgan said today his wife was not home when contacted by a Tribune reporter. "Kim did talk to the Associated Press... She did an interview and told them about her job." That interview was subsequently carried by The Tribune.

Mrs. Dorgan is a consultant for APCO Associates of Washington and lobbied extensively in 1985 against legislation designed to protect the American lumber industry from Canadian imports.

The Tribune's story June 29 describing her activities was based a packet of official government documents mailed anonymously to the newspaper. Vinje said he did not know who gathered the material or sent it to the newspaper.

Vinje mentioned twice in a nine-paragraph release that she is Dorgan's third wife. "It always seemed strange that someone as publicity-hungry as Dorgan avoided talking about his third wife," the release said. "Now we have the first indication of why he has been so secretive."

Vinje denied that he was trying to make that a campaign issue, adding that there were good reasons for some divorces. And, he said, "I think it's important that we make this clear ... that this does not involve any of Byron Dorgan's two previous wives."

But Dorgan said "those references describe adequately what he's trying to do. It's a disgusting approach to campaigning but those are things you have to live with in politics.

"Because of Kim's career in international trade, Mr. Vinje is apparently trying to question my independence on these issues. North Dakotans know that no one has worked harder or been more independent than I have," Dorgan said. "I think his contentions are ridiculous. Many issues should be discussed in the campaign and Mr. Vinje is interested in personal issues. That's disappointing."

Vinje's wife, Susan, is a payroll accountant for Basin Electric Power Cooperative, but Vinje said he did not think that would pose a conflict of interest for him.

Vinje, noting that Dorgan attracted 84 percent of the popular vote in his last election, said he's not unhappy with the money he has been able to raise. "That report ended June 30. Since that time, we have acquired quite a little bit of money," he said.

The reports showed the GOP party in North Dakota contributed $5,000 on May 27.

Dorgan, meanwhile, collected more than $20,000 just from 24 political action committees, all from out-of-state.

Of all the congressional candidates, only Conrad was carrying a debt. His reports showed $62,495 cash on hand at the end of June, with debts of $60,995, leaving some $1,500 in unencumbered funds.

Despite those numbers, Conrad said his campaign had not been on the verge of being broke. The campaign has raised some $55,000 in the past two weeks and has promises for another $280,000, he said.

The debt was raised deliberately as an accounting device because of federal laws limiting the amounts individuals and political action committees can contribute for primary and general elections, Conrad said.

A debt allows the campaign to apply new contributions toward an election that may already have occurred, he said.

Although Conrad and his campaign manager, Lucy Calautti, both said the campaign was financially sound and contributors were lining up, they admitted they were worried about a recent GOP-sponsored poll that showed Andrews with a wide lead. The poll could possibly dry up the flow of money to Conrad's campaign, they said.

Poll results routinely are circulated in Washington, which is the base of operations for the political action committees that provide the big money in campaigns.

Part of Andrews' income is just bank interest earned on his unspent war chest, which is deposited in seven Fargo banks. Interest from the banks provided $13,000 in income between May 23 and June 30.

Some 30 Houston, Texas, oil interests contributed nearly $16,000.

Of the 55 major contributors to the Andrews campaign, 50 are from out of state.

His campaign is also supported by 52 out-of-state PACs.

Conrad listed 20 major contributors and 18 out-of-state PACs among his contributors.

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Dorgan's wife says she lobbies briefly

Tribune 7-1-88

The wife of Rep. Byron Dorgan, D-N.D., says she devotes fewer than 5 hours a week to lobbying on Capitol Hill.

Kimberly Sue Olson talked to the Associated Press about her work in Washington following a Sunday story in the Tribune reporting she was registered to lobby as a foreign agent, representing timber interests in Canada and the United States.

While Rep. Dorgan responded at length in the Tribune story, he would not allow a reporter to speak to his wife.

Olson, 27, is a consultant for APCO Associates, a Washington, D.C., consulting firm. She retains her maiden name on the job.

The firm lobbied extensively in 1985 against legislation designed to protect the American lumber industry from Canadian imports. She was a lobbyist at the time she and Dorgan were married in April 1985.

APCO represents both foreign and domestic concerns, she told the Associated Press, adding that she works largely on timber-related issues.

But she said she spends most of her professional time not at the Capitol but developing governmental affairs strategies for clients, analyzing trade policy proposals and trying to decide how and if legislation would affect clients.

The firm is "very active on the free-trade stance," she said.

APCO's own registration forms indicate APCO lobbyists contacted dozens of officials to lobby against trade restrictions during the last half of 1985, including Dorgan's aide, Donna Feinberg.

Olson said she could not remember whether she or one of three colleagues who also work on trade issues contacted her husband's office on the matter.

"I simply don't recall," she said. "As a general policy, I don't have any contact with Byron's office."

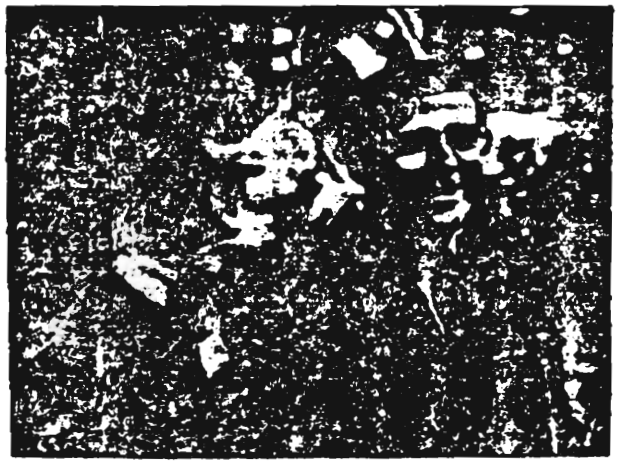
The couple is very conscious of avoiding the appearance of conflict of interest, she said.

"I don't work on issues that will conflict with his position or with the interests of North Dakota," she said.

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ALG in FGO

Dorgan: Wife's role as lobbyist is not unusual



Associated Press

Kim Sue Olson and husband Byron Dorgan fail to see a conflict of interest in her position as a lobbyist on Capitol Hill.

By Joan Mower
Associated Press

WASHINGTON — Like many lobbyists, Kimberly Sue Olson depends for her bread and butter on congressional contacts, access to the nation's policy-makers and her understanding of how Capitol Hill works.

Olson, 37, who represents a Canadian forestry group that is fighting a trade proposal in the House Ways and Means Committee, has an advantage when it comes to access to one panel member, Rep. Byron Dorgan, D-N.D.

She's his wife.

Dorgan, 41, one of several lawmakers married to a lobbyist, says his wife has a right to her own career.

She works for APCO Associates, a subsidiary of Arnold & Porter, a blue chip law firm, handling the account of the Ottawa-based Canadian Forest Industries Council, according to the Justice Department's foreign agent registration lists.

"I don't see a conflict in that she has her career and I have mine," said Dorgan. He and Olson married in April 1985. She is his third wife.

"It gets a little tiresome to have to defend what I'm doing when I did it a long time before I married Byron and a long time before he was a member of Ways and Means," said Olson, who joined APCO about a year ago. Previously, she specialized in trade and international issues.

Records show that Olson or other APCO lobbyists paid by the Canadian consortium contacted scores of House members, senators and their aides in 1988, including Dorgan's assistant, Donna Feinberg, on Sept. 9, 1988.

The APCO group has lobbied extensively but unsuccessfully against legislation designed to protect the U.S. lumber industry against Canadian imports. Dorgan voted for the legislation, opposing his wife's position.

After their marriage, Dorgan said, he checked with the House Committee on Standards of Ethical Conduct and was assured that his wife's job did not represent a conflict of interest.

Lawmakers, however, are required to list their spouses' place of employment on financial disclosure forms.

Dorgan failed to include his wife's employer on his 1985 disclosure form filed May 14, 1986, or on an addendum filed May 21, 1986.

The congressman said the omission was a mistake, resulting from the fact that the 1985 form was the first he had filed since he married Olson.

Dorgan said, "I don't think there is anything unusual," in the arrangement because other lawmakers' spouses work as lobbyists or public relations consultants dealing with Congress.

Such relationships include Rep. Thomas Daschle, D-S.D., whose wife Linda is a lobbyist with the Airline Transport Association of America; Rep. Patricia Schroeder, D-Colo., whose husband James is a lawyer registered as a lobbyist for a foreign government; Rep. Bob Carr, D-Mich., whose estranged wife Susan lobbies for the U.S. League of Savings Institutions; Rep. Norman Lent, R-N.Y., whose wife Barbara Morris Lent is the head of the governmental affairs office at NYNEX Corp.; Rep. Peter Kostmayer, D-Pa., whose wife Pamela runs her own public relations business.

Dorgan said that since his marriage, he has scrupulously avoided giving the appearance of a conflict. He pointed out that he voted [illegible] in favor of a trade bill that contained provisions opposed by his wife's client.

Nonetheless, Olson's career has become an issue in Dorgan's re-election campaign. Sylver Vhay, his Republican opponent, has called Olson's job a "clear potential conflict of interest."

Several spouses said they avoided work that would put them in contact with their spouses' committees.

Agency spies on Dorgan, Conrad

By Richard L. Vernaci
Associated Press

BISMARCK — Investigators from a private detective agency have been gathering information on two Democratic congressional candidates, who say the action is politically motivated.

State Tax Commissioner Kent Conrad, the Democratic-NPL Party's candidate for the U.S. Senate, and Rep. Byron Dorgan, D-N.D., say they have been aware for several weeks that agents of W.T. Butcher & Associates Ltd. have been investigating them.

"I have heard from a half a dozen sources over the months that Mr. Butcher or employees of his firm have been snooping around about Kent and myself," Dorgan said. "Its entire connection is to the political campaign. I'm certain of that."

However, William T. Butcher, the founder of the agency, refused to confirm or deny that his company had been hired to gather information on Dorgan and Conrad.

"I work for clients, usually law firms, and I am not at liberty to divulge who my clients are or who the subjects of an investigation are," Butcher said. "I can say this, however, that I have not and I do not conduct investigations for political parties or for candidates."

Although he would decline to gather information for politicians or parties, Butcher said he would investigate the background of a political candidate if hired by a law firm to do so.

Butcher is married to Dina Butcher, deputy state commissioner of agriculture. The agriculture commissioner, Kent Jones, is a Republican.

State Republican Chairman Layton Freborg, Sen. Mark Andrews, R-N.D., and GOP House candidate Syver Vinje all said they were not aware of an investigation of the Democrats by private detectives. All of them said they did not know who was responsible.

"I can assure you that it is not the North Dakota Republican Party," Freborg said.

Conrad is running against Andrews, and Vinje is opposing Dorgan's re-election bid.

Meanwhile, witnesses and documents show that investigators from Butcher's agency have been gathering information on Dorgan and Conrad.

Cletus Schmidt, an investigator who joined the firm in 1985, copied part of the file on Dorgan's divorce from his second wife, Judy, according to records at the South Central District Court Clerk's office.

Marian Barbie, the court clerk, said she remembered getting the file for Schmidt on March 20 because she had to go to the basement of the courthouse to find it.

Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

In late May or early June, Dan Houfek, an investigator who joined the Butcher agency in March, tried without success to obtain tape recordings of a Conrad news conference from KCND Radio, according to David Thompson, the station's news director.

"He asked for a couple of things," Thompson said of his conversation with Houfek. "One was a letter that state Tourism Director Jim Fuglie had written to radio stations regarding weather coverage and the other was to see if I could provide him with the copy of a tape of a Kent Conrad news conference."

Thompson, who turned down the request, said Houfek told him he was working for an investigative firm. He did not identify it or say why he wanted the material, Thompson said.

Butcher acknowledged that Houfek and Schmidt are associated with his firm.

Dorgan and Conrad said they did not know specifically who provided the money used to hire the detectives. Both said they did not know whether any use has been made of the information the detectives gathered.

"I think it's the ugliest kind of politics I've seen in 15 years of public life," Dorgan said. "I intend to get to the bottom of this and see who is responsible."

"I was told ... that the head charge was to find something on Dorgan and Conrad," Conrad said. "I have been told they ran an investigation and were not able to find anything on me and have run into a stone wall."

Dorgan said he believed he was the target of an effort to spread inflattering information about him, including revelations about his wife, Kimberly, and her work as a lobbyist for the Canadian timber industry.

Envelopes containing copies of government documents were mailed anonymously to newspapers to call their attention to Kimberly Dorgan's activities.

Dorgan later admitted that he failed to mention his wife's employment on his 1985 financial disclosure form, which he filed last May. He said the omission was a mistake.

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Freborg said it was possible the clippings came from the party's files, which are open to anyone who is a Republican. He did not know who made copies of those clippings, he said.

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Agency: See Page 8A

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Vinje says Dorgan or wife should quit

W-B 8/2

BISMARCK, N.D. (AP) — Rep. Byron Dorgan, D-N.D., or his wife, Kimberly, should resign because of her job as a congressional lobbyist, Republican congressional candidate Syver Vinje said Friday.

"The Dorgans have a conflict of interest that isn't resolved," Vinje said at a news conference. "Either Mrs. Dorgan has to quit being a lobbyist or Mr. Dorgan has to quit being a congressman."

Mrs. Dorgan, a registered foreign agent, works for APCO Associates where she handles the account of the Ottawa-based Canadian Forest Industries Council.

"Syver Vinje is a very confused man," Dorgan said by telephone from Washington. "He seems to think he's running against my wife. I'm the congressman."

Dorgan denies his wife's job conflicts with his congressional duties.

Her firm lobbied extensively but unsuccessfully against legislation designed to protect the American timber industry from Canadian imports.

Dorgan voted for the measure in opposition to his wife's Canadian client.

Vinje said if elected, he would introduce a bill prohibiting immediate family members of representatives and senators from working as a lobbyist.

However, Dorgan said such legislation could affect several Republicans, including Nevada Sen. Paul Laxalt, whose daughter is a lobbyist, and Senate Majority Leader Robert Dole of Kansas, whose wife, Elizabeth, is secretary of transportation.

"Syver Vinje's only interest in this is as a political issue against a Democrat," Dorgan said.

"I'm disappointed to see he is only interested in personal issues. We ought to be talking about the price of wheat and issues that are important to North Dakota," Dorgan said.

Vinje also criticized Dorgan for his failure to list his wife's employer on his 1985 financial disclosure form filed May 14, or on an addendum filed May 21.

Dorgan said the omission was a mistake that resulted from the fact that the 1985 form was the first he had filed since he married Mrs. Dorgan.

Dorgan then accused Vinje of failing to file his statement of candidacy on time.

The form was not filed with the Federal Election Commission until May 7, nearly a month after Vinje received $7,000 at the state Republican convention April 12.

The form must be submitted to the FEC within 15 days after a candidate spends or receives more than $5,000, according to the agency's rules.

Vinje said he believed he had met the FEC requirements by mailing the form to the FEC April 27. "As far as I know we have everything in a timely manner," he said.

FEC spokesman Fred Eiland said the agency must have the form in hand by the end of the 15-day filing period. However, the agency's main concern is that the document is filed, he said.

Maris follows in father's footsteps

FARGO, N.D. (AP) — Richard Maris wasn't even born the year his father Roger set the baseball world on its ear by hitting a record-breaking 61 home runs for the New York Yankees.

"I remember when he played with the (St. Louis) Cardinals, I guess I was about five; but of course I've heard a lot about '61 with the Yankees," said the 22-year-old Richard.

The younger Maris credits his father's exploits for his interest in baseball. Of four Maris boys, only Richard has his father's desire to play professional baseball.

"He never pushed any of us into baseball," Richard said Monday during a break in the third annual Roger Maris Celebrity Golf Tournament. "He let us decide what we wanted to do."

Two Maris sons, Kevin, 25, and Randy, 24, chose golf, and play on professional tours in Florida. They help coordinate the annual Maris golf tournaments in Fargo.

A third son, Roger Jr., 27, played basketball at Eckerd College in St. Petersburg, Fla., and has run the Maris beer distributorship in Gainesville, Fla., since his father's death from cancer last December.

Richard, the second youngest of six Maris children, will transfer to the University of Florida this fall after three years at Santa Fe Community College in Gainesville.

Unlike his father, Richard bats and throws right-handed. Last year, as a junior infielder, he batted .[illegible] with a .310 batting average. As a freshman at Santa Fe, he batted .[illegible].

"I'm like the last hope for a baseball player in the family, I guess," Richard said.

But Maris admits that being the son of a former major league star can be a strain. Fans, opponents and even some teammates expect home-run hitting feats, but singles and doubles, he said.

"You've just got to ignore all of that and forget about putting additional pressure on yourself," he said.

Maris suffered a broken jaw this spring when he was hit by a pitch and is taking the summer off to rehabilitate. The jaw was wired shut and a scar in the corner of his left [illegible] is still visible.

"I haven't stepped into the batter's box yet, so I don't know how I'm going to react," he said. "I'm taking the whole summer off to heal and play some golf and see how I feel this fall."

Former Yankee pal, "Moose" Skowron, Hall of Fame pitcher Warren Spahn and NBC sportscaster Bob Costas were among about 15 celebrity players Monday in the Maris golf tournament played at Fargo's Edgewood County Club.

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N.D. private detective agency grows rapidly

FGO

Bismarck, N.D. (AP)

William Butcher, a former FBI agent, presides over what he says is the largest private investigation and security agency in the state, and much of the company's expansion has happened this year.

When the 46-year-old Butcher started the company in late 1982, working out of his house, it was three weeks before he landed his first client, he said.

Now the firm operates from a suite of Bismarck offices, and has investigators in Minot, Williston, Dickinson and Fargo. Visitors to the Bismarck office are greeted by a framed photograph of film star Humphrey Bogart, clad in hat and trenchcoat.

Currently the company is conducting between 40 and 50 investigations, mainly for attorneys involved in cases such as industrial and traffic accidents, Butcher said.

"We are the fact gatherers," he said. "We interview all the people and decide who are the good witnesses and who aren't."

The company, which also provides court reporters, repossesses property and serves papers, has expanded into providing private security services, according to one of its brochures.

"The only employees of our whole company are my partner and I and our secretaries," Butcher said. "We have independent contractors who are registered under our agency with the attorney general's office."

Those independent contractors are the firm's investigators, he said.

Papers filed with the state Attorney General's office, which licenses private detective agencies and the investigators, show the firm has 17 investigators on its staff, including Butcher. Eight of those investigators joined the firm this year, the records show.

"We had a Fargo office for two years," Butcher said "We changed personnel over there. We had one investigator, now we have four."

Two of the investigators in the Fargo office are C. Dan Smith and Kim Murphy, both of whom worked in the Attorney General's Drug Enforcement Unit under Robert Wefald and Allen Olson.

Smith gained notoriety in 1984 as the drug agent who tape-recorded public statements of Nicholas Spaeth, who was the Democratic candidate for attorney general.

Butcher said he was unaware of Smith's involvement in the taping incidents and added that his company's policy forbids its involvement in political investigations.

"Nobody associated with Butcher & Associates does or ever has done any political work," Butcher said.

However, the agency would investigate a political candidate hired to do so by a firm, he said.

"I wouldn't do it if it was political, even if it was a law firm, I guess that's a matter of discretion," he said.

Tax break urged for farm donations

FGO

Farmers should receive a tax deduction for donations given to victims of natural disasters, said Sen. Quentin Burdick, D-N.D.

Burdick has cosponsored a bill which would provide farmers with a tax deduction equal to the wholesale market price for the product they donated. Under current law, farmers receive a tax deduction only for the cost of producing the donated crop.

The bailiff operation to aid farmers suffering from drought in the southeast drew attention to the donations and the idea of a tax deduction.

The bill proposed by Burdick would apply to any commodity donated to benefit farmers or any group of people harmed by a natural disaster. The goods would be donated through a state agency, which would then distribute to areas of greatest need.

"We won't let this program become just another tax break for the big corporate farming outfits. This is meant to encourage a kind of person-to-person cooperation we're seeing in the bailiff operation," Burdick said. "If the bill is passed, the tax change will be approved in time for farmers to use it on the current tax year.

Business, service locator system to be established in F-M area

FGO

By Philip Matthews
STAFF WRITER

A community locator system that will provide consumer information about businesses and services in the local community will be established in the Fargo, Moorhead and West Fargo area.

The service will provide electronic stands with computer screens in 35 locations that will furnish information at the press of a button.

Ann Hauer, president of Community Information Systems of West Fargo, said the system of locators will be ready for use by travelers, other visitors and the general public in about one month.

"The purpose of our system is to assist people in selecting and reaching a destination, or in obtaining a listing of community events," she said.

"I think that it is going to fill a genuine need in the community."

The system is being established here by her husband, Jim Hauer, who is the treasurer of the company. He previously was the co-owner of Ditch Witch in Fargo.

Their son, Todd, is vice president of the company.

The listing on the locator will include businesses and commercial enterprises in the community as well as churches, schools, parks, hospitals, restaurants, art galleries and other public services.

The locator system is supported by annual fees that are charged the commercial companies that use the system as an advertising medium.

The Hauers are installing a similar locator system in the Bismarck-Mandan community in North Dakota.

Community Information Systems is headquartered in Fridley, Minn., and has established locator systems in Edina, White Bear Lake, Bloomington, Rochester and St. Cloud in Minnesota; in Rapid City, S.D.; in Gatlinburg, Tenn., and in Slidell, La.

The locator provides information about the location of the place sought, its product or service, its telephone number and in some cases the hours of service.

Upon a button request by the user, the system will provide a map showing the location.

Ann Hauer said the locators are placed in high traffic locations within the community.

The programming for the system is done at the home office in Fridley.

Agency probes Dorgan, Conrad

By RICHARD L. VERNACI
Associated Press Writer

BISMARCK, N.D. (AP) – Investigators from a private detective agency have been gathering information on two Democratic congressional candidates, who say the action is politically motivated.

State Tax Commissioner Kent Conrad, the Democratic-NPL Party's candidate for the U.S. Senate, and Rep. Byron Dorgan, D-N.D., say they have been aware for several weeks that agents of W.T. Butcher & Associates Ltd. have been investigating them.

"I have heard from a half a dozen sources over the months that Mr. Butcher or employees of his firm have been snooping around about Kent and myself," Dorgan said. "Its entire connection is to the political campaign; I'm certain of that."

HOWEVER, WILLIAM T. Butcher, the founder of the agency, refused to confirm or deny that his company had been hired to gather information on Dorgan and Conrad.

"I work for clients, usually law firms, and I am not at liberty to divulge who my clients are or who the subjects of an investigation are," Butcher said. "I can say this, however, that I have not and I do not conduct investigations for political parties or for candidates."

Although he would decline to gather information for politicians or parties, Butcher said he would investigate the background of a political candidate if hired by a law firm to do so.

State Republican Chairman Layton Freborg, Sen. Mark Andrews, R-N.D., and GOP House candidate Syver Vinje all said they were not aware of an investigation of the Democrats by private detectives. All of them said they did not know who was responsible.

"I CAN ASSURE you that it is not the North Dakota Republican Party," Freborg said.

Conrad is running against Andrews, and Vinje is opposing Dorgan's re-election bid.

Meanwhile, witnesses and documents show that investigators from Butcher's agency have been gathering information on Dorgan and Conrad.

Cletus Schmidt, an investigator who joined the firm in 1985, copied

See DETECTIVES, p.8

Press - 8-3-86

See Page 2 - Detectives

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Page 2 - Detectives

Detectives

From page 1

part of the file on Dorgan's divorce from his second wife, Judy, according to records at the South Central District Court Clerk's office.

Marian Barbie, the court clerk, said she remembered getting the file for Schmidt on March 20 because she had to go to the basement of the courthouse to find it.

Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

IN LATE MAY or early June, Dan Houfek, an investigator who joined the Butcher agency in March, tried without success to obtain tape recordings of a Conrad news conference from KCND Radio, according to David Thompson, the station's news director.

"He asked for a couple of things," Thompson said of his conversation with Houfek. "One was a letter that had written to radio stations regarding weather coverage and the other was to see if I could provide him with the copy of a tape of a Kent Conrad news conference."

Thompson, who turned down the request, said Houfek told him he was working for an investigative firm. He did not identify it or say why he wanted the material, Thompson said.

Butcher acknowledged that Houfek and Schmidt are associated with his firm.

DORGAN AND Conrad said they did not know specifically who provided the money used to hire the detectives. Both said they did not know whether any use has been made of the information the detectives gathered.

"I think it's the ugliest kind of politics I've seen in 15 years of public life," Dorgan said. "I intend to get to the bottom of this and see who is responsible."

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Investigators probe Democratic candidates

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Dorgan

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Cletus Schmidt, an investigator who joined the firm in 1985, copied part of the file on Dorgan's divorce from his second wife, Judy, according to records at the South Central District Court Clerk's office.

Marian Barbie, the court clerk, said she remembered getting the file for Schmidt on March 28 because she had to go to the basement of the courthouse to find it.

Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

In late May or early June, Don Houfek, an investigator who joined the Butcher agency in March, tried without success to obtain tape recordings of a Conrad news conference from KCND Radio, according

See INVESTIGATORS — Page A9

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Tribune 8-3-86

The Dorgan file: Complete with private eyes and secret n otes, plot to smear Democrats is year's top mystery

By GERRY GILMOUR
Tribune Staff Writer

After a month's research by various newsorganizations, the source of an information packet on the lobbying activities of Rep. Byron Dorgan's wife remains a mystery.

But what is emerging is a steamy political plot to smear two Democrat candidates — a plot replete with snooping private eyes and anonymous poison-pen letters.

Dorgan himself believes the whole scheme will be uncovered soon. In the meantime, it is the best whodunit of the political season, and worth a little speculation.

Indirect links to the Republican Party headquarters in Bismarck and to a local detective agency have been established. But the big question remains: Who is paying the bills and why?

The "Dorgan file" was mailed anonymously to The Washington Times in May, The Bismarck Tribune in late June and later, The Fargo Forum.

Documents in the package revealed that Dorgan's 27-year-old wife, using her maiden name of Kimberly Sue Olson, has worked as a lobbyist on behalf of Canadian timber interests against a trade proposal before the House Ways and Means Committee. Her husband is a member of that committee.

Someone or some organization went to a lot of trouble to gather the information, which has been used repeatedly by Dorgan's Republican opponent, Syver Vinje.

Friday, Vinje called on either Dorgan or his wife to resign. He said if he is elected, he will introduce legislation forbidding a member of a congressman's family to work as a lobbyist.

Vinje denies any knowledge of the source of the information on Mrs. Dorgan, and insiders say the assembling of the package began long before Vinje entered the political landscape.

The packages also contained:

- A copy of the couple's marriage license from Snohomish County, Wash.
- A variety of press clippings.

According to well-placed Democratic sources, Rep. Dorgan knows at least some of those involved. He declin source to the Tribu and instead has be with reporters from news organization. both the Washingto News are doing the investigations, as i Press.

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"I think it's the ugliest kind of politics I've seen in 15 years of public life." - Rep. Byron Dorgan

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GOP leaders deny role in 'Dorgan f

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"Dorgan file" made reference to an article in "the Grand Forks Forum." The Forum, of course, is a Fargo paper. The mistake may indicate the package was assembled by someone unfamiliar with North Dakota.

Here's what is known so far:

• The operation to dig up dirt on Dorgan probably started last fall, when the copy of the marriage license was obtained. It is in that context that the operation must be understood.

At that time, Republicans feared Dorgan might make a run for the seat now held by U.S. Sen. Mark Andrews. The Republicans hold a narrow and shaky majority in the Senate, and a poll last spring showed Dorgan could defeat Andrews by a 2-1 margin. A poll released Oct. 5 showed Dorgan still leading 52 percent to 41 percent even after a television campaign by Andrews. The marriage license copy was obtained the next week.

'All I know about the package is what I read in the paper. We do investigations, but whatever was in that package was not gathered by myself or anyone in my office.' - William T. Butcher, private detective

It wasn't until Dec. 13 that Dorgan ended the speculation when he announced he would run instead for another term in the House of Representatives. His protege, State Tax Commissioner Kent Conrad, announced on Jan. 27 that he would take on Andrews.

Sources say the investigative effort was turned toward Conrad at that time, but no anonymous packages ever surfaced on the tax commissioner.

• The Tribune has positively established that some press clippings contained in the "Dorgan Papers" were photocopied from files at state Republican headquarters in Bismarck.

The copies could be traced to GOP headquarters because they contained the GOP's account number used by a Grand Forks clipping service.

State Republican chairman Layton Freborg said his office was definitely not involved in assembling the information on Mrs. Dorgan, although he concedes that any Republican in the state has access to the GOP clippings.

• Some documents contained in the file were obtained from a Justice Department library in Washington D.C.

Using the Freedom of Information Act, the Tribune has obtained the records of those people who checked out the documents. They include a self-employed lawyer named Fritz Gieseeke who doesn't return telephone calls to the Tribune. No local connections to Gieseeke have been established.

• Inside sources say William T. Butcher, a Bismarck private detective, has been overheard talking about his involvement in an investigation of Dorgan. Butcher also recently hired two former state Drug Enforcement Unit officers who were involved in taping now-Attorney General Nick Spaeth during his 1984 campaign.

Butcher, however, denies he had any role in the effort to discredit Dorgan. "All I know about the package is what I read in the paper. We do investigations, but whatever was in that package was not gathered by myself or anyone in my office."

Richard Vernaci of the Associated Press office in Bismarck reported today, however, that investigators from the Butcher agency have been gathering other information on both Dorgan and Conrad.

Records at the South Central District Court Clerk's office show that Cletus Schmidt, an investigator who joined the Butcher firm in 1985, copied part of the file on Dorgan's divorce from his second wife, Judy.

Marian Barbie, the court clerk, said she remembered getting the file for Schmidt on March 20 because she had to go to the basement of the courthouse to find it.

Those divorce papers were not part of the Dorgan file received by the Tribune.

Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

Also according to AP, in late May or early June, Dan Houfek, an investigator who joined the Butcher agency in March, tried without success to obtain tape recordings of a Conrad news conference from KCND Radio, according to David Thompson, the station's news director.

Thompson, who turned down the request, said Houfek told him he was working for an investigative firm. He did not identify it or say why he wanted the material, Thompson said.

Butcher acknowledged that Houfek and Schmidt are associated with his firm, but said, "I am not at liberty to divulge who my clients are or who the subjects of an investigation are."

'Shadowy GOP Figure Still Involved in North Dakota Politics.' - Anonymous letter

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Dorgan said, "I think it's the ugliest kind of politics I've seen in 15 years of public life. I intend to get to the bottom of this and see who is responsible."

Admitting that candidates routinely try to get information about what their opponents are doing, Dorgan said, "There's a line you don't cross. You don't hire private eyes."

Conrad said he was told "that the broad charge was to find something on Dorgan and Conrad. I have been told they ran an investigation and were not able to find anything on me and have run into a stone wall."

Whoever "they" are, Freborg told AP they are not any Republicans he knows. "I would not operate that way," he said. "I do not condone it. I speak for the North Dakota Republican Party, but I cannot speak for every living Republican."

'I would not operate that way. I do not condone it. I speak for the North Dakota Republican Party, but I cannot speak for every living Republican.' - GOP State Chairman Layton Freborg

• Indications are that several out-of-state lawyers may be involved in gathering the information, including one in Washington State where the marriage license was obtained. If so, then someone has been working behind the scenes to set a smokescreen by tying local Republicans to the Dorgan dirt-digging.

'Quite frankly, that's not my way of doing business. Those who know me know I'm always out front.' - Darrell Williams, former press aid to Gov. Allen Olson

The Tribune obtained a copy of an anonymous letter mailed from Bismarck to Dorgan's office. It was titled "Shadowy GOP Figure Still Involved in North Dakota Politics," and pointed the finger at Darrell Williams, who was former press officer for Gov. Allen Olson. The letter claimed Public Service Commissioner Dale Sandstrom was "the mastermind" behind the operation, working with Kathryn Williams, who is Sandstrom's secretary and the wife of Williams.

John Altevogt, who was accused by Spaeth of being a Republican-hired spy during the 1984 attorney general's race, were also listed as being involved, as was Vinje.

Sandstrom, contacted in his office in Bismarck, said, "I don't know anything about it. I don't know where that package came from."

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Page 3 Dorgan Story

leaders deny role in 'Dorgan file'

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telephone calls to the Tribune. No local connections to Gieseeke have been established.

• Inside sources say William T. Butcher, a Bismarck private detective, has been overheard talking about his involvement in an investigation of Dorgan. Butcher also recently hired two former state Drug Enforcement Unit officers who were involved in taping now-Attorney General Nick Spaeth during his 1984 campaign.

Butcher, however, denies he had any role in the effort to discredit Dorgan. "All I know about the package is what I read in the paper. We do investigations, but whatever was in that package was not gathered by myself or anyone in my office."

Bernard Vernaci of the Associated Press office in Bismarck reported today, however, that investigators from the Butcher agency have been gathering other information on both Dorgan and Conrad.

Records at the South Central District Court Clerk's office show that Cletus Schmidt, an investigator who joined the Butcher firm in 1985, copied part of the file on Dorgan's divorce from his second wife, Judy.

Marian Barbie, the court clerk, said she remembered getting the file for Schmidt on March 20 because she had to go to the basement of the courthouse to find it.

Those divorce papers were not part of the Dorgan file received by the Tribune.

Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

Also according to AP, in late May or early June, Dan Hoffek, an investigator who joined the Butcher agency in March, tried without success to obtain tape recordings of a Conrad news conference from KCND Radio, according to David Thompson, the station's news director.

Thompson, who turned down the request, said Houfek told him he was working for an investigative firm. He did not identify it or say why he wanted the material, Thompson said.

Butcher acknowledged that Houfek and Schmidt are associated

> *'Shadowy GOP Figure Still Involved in North Dakota Politics.' - Anonymous letter*

with his firm, but said, "I am not at liberty to divulge who my clients are or who the subjects of an investigation are."

Although he would decline to gather information for politicians or parties, Butcher said he would investigate the background of a political candidate if hired by a law firm to do so.

Admitting that candidates routinely try to get information about what their opponents are doing, Dorgan said, "There's a line you don't cross. You don't hire private eyes."

Conrad added he was told "that the hired charge was to find something on Dorgan and Conrad. I have been told they ran an investigation and were not able to find anything on me and have run into a stone wall."

Whoever "they" are, Freborg told AP they are not any

> *'I would not operate that way. I do not condone it. I speak for the North Dakota Republican Party, but I cannot speak for every living Republican.' - GOP State Chairman Layton Freborg*

Republicans he knows. "I would not operate that way," he said. "I do not condone it. I speak for the North Dakota Republican Party, but I cannot speak for every living Republican."

• Indications are that several out-of-state lawyers may be involved in gathering the information, including one in

> *'Quite frankly, that's not my way of doing business. Those who know me know I'm always out front.' - Darrell Williams, former press aid to Gov. Allen Olson*

Washington State where the marriage license was obtained. If so, then someone has been working behind the scenes to set a smokescreen burying local Republicans in the Dorgan dirt-digging.

The Tribune obtained a copy of an anonymous letter mailed from Bismarck to Dorgan's office. It was titled "Shadowy GOP Figure Still Involved in North Dakota Politics," and pointed the finger at Darrell Williams, who was former press officer for Gov. Allen Olson. The letter claimed Public Service Commissioner Dale Sandstrom was "the mastermind" behind the operation, working with Kathryn Williams, who is Sandstrom's secretary and the sister of Williams. John Altevogt, who was accused by Spaeth of being a Republican-hired spy during the 1984 attorney general's race, were also listed as being involved, as was Vinje.

Williams, contacted in Washington, D.C., where he works for the Republican National Committee, said he had no part in gathering information there. "Quite frankly, that's not my way of doing business," he said. "Those who know me know I'm always out front. That's why I'm not (in North Dakota) anymore."

• The anonymous letter also implied Sandstrom was using an employee under his direction to mail the package from Seattle. Records at the PSC showed Patrick Fahn, a PSC engineer working for Sandstrom, was in Seattle June 16 through 20 for an engineering conference. The package received by the Tribune was postmarked June 23. Fahn, however, said he did not mail any package.

"I know I'm not involved," he said when visited at the PSC's capitol offices by a Tribune reporter. "But whoever says I did, they had to know where I was that week, and not too many people knew that I was going there. It had to be someone in this office to know about it."

Several days after the visit to Fahn, the Tribune received another anonymous letter written in block letters with a pencil that read: "When Commissioner Sandstrom says 'Jump,' Patrick Fahn says 'How high?'"

"When Sandstrom says 'Mail these letters,' Fahn asks, 'From where, Seattle?'"

Fahn and Butcher, incidentally, sing together in a Bismarck men's chorus and Fahn said Butcher may have known he was going to be in Seattle when the package was mailed.

• Whoever is behind this plot, whoever is willing to invest $100,000 in an election year probe of North Dakota Democratic candidates, has covered his trail well. Indications are that local agents, if they are involved at all, are working for a Washington D.C. lawyer who is working for another lawyer who has other lawyers working for him.

If the complicated web can ever be untangled, it could be the story of the year.

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A look at Dorgan's financial disclosure form



DAVID M. FUSELIER

ON MAY 16, Rep. Byron Dorgan failed to report his wife's employer on his annual disclosure form, as required by law.

In an Associated Press story out of Washington last Sunday, Dorgan said the omission was a mistake, resulting from the fact that the form was the first he had filed since he had married Kimberly Sue.

"It just escaped my notice," he told us late last week. "It was a dumb mistake, but it certainly was not intentional."

Anyone who has ever filled out a 1040A may sympathize. On the other hand, veteran congressmen who are former state tax commissioners would seem to have an edge in this sort of thing.

The Tribune reported in June that Dorgan's wife using her maiden name of Kimberly Sue Olson, is a lobbyist for a large Washington D.C. law firm. According to documents she filed in Washington, she or her co-workers, while lobbying for the Canadian timber industry, contacted not only members of Dorgan's own Ways and Means Committee, but even a member of Dorgan's own staff.

Let's be clear about this. Mrs. Dorgan is the only congressional spouse in Washington who lobbies her husband's own committee. That is not illegal. Neither is it clearly unethical. It is decidedly unique.

In his defense, Rep. Dorgan himself has voted against the positions advocated by his lobbyist wife.

The actual disclosure form, obtained this week, says on the first page that the reporting individual "is required to include financial information concerning his or her spouse or dependent children." There are some exceptions, but Dorgan does not claim them.

On Page 2, the form says to "report the source and type, but not the amount, of a spouse's earned income which exceeds $1,000." He did not.

☐ ☐ ☐

FOR HISTORY BUFFS, the bottom three lines of this page are of interest. Representatives who simply do not know how their spouses make their money may check the "yes" box at the end of the third line. They then do not have to report their spouses' financial information.

During her run for vice president in 1984, Geraldine Ferraro checked that box, claiming to know nothing of the dubious business dealings of her husband, New York real estate investor John Zaccaro. Ferraro's stock fell quickly when it was later revealed that she was vice president of his company.

I. SPOUSE AND DEPENDENT DISCLOSURE EXEMPTION

In general, the reporting individual is required to include financial information concerning his or her spouse or dependent children. However, in RARE CIRCUMSTANCES, WHERE ONE OR MORE FINANCIAL INTERESTS of a spouse or dependent child meets the three standards listed below, such interest need not be disclosed. Non-disclosure MUST be indicated by checking the space marked "YES." If all spousal and dependent children's financial interests are disclosed, "NO" should be checked in the space marked.

STANDARDS FOR EXEMPTION

(1) The item is the sole interest or responsibility of the spouse or dependent child, and the reporting individual has NO KNOWLEDGE of the item; and

(2) The item was not in any way, past or present, DERIVED FROM THE INCOME, ASSETS, OR ACTIVITIES of the reporting individual; and

(3) The reporting individual neither DERIVES, NOR EXPECTS TO DERIVE, any financial or economic benefit from the item.

NOTE: Only financial interests meeting the standards are exempted from disclosure; all other interests must be reported.

ARE YOU AWARE OF ANY INTERESTS IN PROPERTY OR LIABILITIES OF A SPOUSE OR DEPENDENT CHILD OR PROPERTY TRANSACTIONS OF A SPOUSE OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE THREE STANDARDS FOR EXEMPTION? YES NO

The bottom part of the first page, including the unchecked "Ferraro Box."

Since then, the box has become known on Capitol Hill as "The Ferraro Box," and is almost never used.

Incidently, Rep. Dorgan neglected to check either box when he initially filed. It's very small, the very last line on the form, he says.

When this omission was pointed out to him by clerical workers in the Office of Records, he filed an addendum checking the "no" box.

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LOCAL LANDLOARDS would be interested in one part of Dorgan's disclosure form. He lists income of $68,363 from two apartment buildings he owns in Bismarck, the Frontier Apartments and the SAS Apartments. He values one at about $450,000 and the other at $230,000. But he reported that after expenses, he lost money on these investments. From what we've heard from other local landlords, he's not alone.

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MOST OF Rep. Dorgan's disclosure form is unexceptional. He reported receiving $23,250 in honorariums and various all-expense paid trips for speaking to a laundry list of organizations.

His charitable contributions totaled almost $1,000, including gifts to The Salvation Army and to Lutheran churches in Bismarck and Washington D.C.

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Firm probes Dem nominees

Conrad, Dorgan believe action is politically motivated



KENT CONRAD



BYRON DORGAN

Bismarck, N.D. (AP)

Investigators from a private detective agency have been gathering information on two Democratic congressional candidates, who say the action is politically motivated.

State Tax Commissioner Kent Conrad, the Democratic-NPL Party's candidate for the U.S. Senate, and Rep. Byron Dorgan, D-N.D., say they have been aware for several weeks that agents of W.T. Butcher & Associates Ltd. have been investigating them.

"I have heard from a half a dozen sources over the months that Mr. Butcher or employees of his firm have been snooping around about Kent and myself," Dorgan said. "Its entire connection is to the political campaign. I'm certain of that."

However, William T. Butcher, the founder of the agency, refused to confirm or deny that his company had been hired to gather information on Dorgan and Conrad.

"I work for clients, usually law firms, and I am not at liberty to divulge who my clients are or who the subjects of an investigation are," Butcher said. "I can say this, however, that I have not and I do not conduct investigations for political parties or for candidates."

Although he would decline to gather information for politicians or parties, Butcher said he would investigate the background of a political candidate if hired by a law firm to do so.

State Republican Chairman Lay-

□Press
Page A8, Column 2

Continued from Page A1

ron Freborg, Sen. Mark Andrews, R-N.D., and GOP House candidate Syver Vinge all said they were not aware of an investigation of the Democrats by private detectives. All of them said they did not know who was responsible.

"I can assure you that it is not the North Dakota Republican Party," Freborg said.

Conrad is running against Andrews, and Vinge is opposing Dorgan's re-election bid.

Meanwhile, witnesses and documents show that investigators from Butcher's agency have been gathering information on Dorgan and Conrad.

Chetek Schmidt, an investigator who joined the firm in 1985, copied part of the file on Dorgan's divorce from his estranged wife, Judy, according to records at the South Central District Court Clerk's office.

Marian Barbee, the court clerk, said she remembered getting the file for Schmidt on March 20 because she had to go to the basement of the courthouse to find it.

Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

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LAYTON FREBORG

cords from BOND Radio, according to David Thompson, the station's news director.

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Thompson, who turned down the request, said Houlihan told him

tive firm. He did not identify it or say why he wanted the material, Thompson said.

Butcher acknowledged that Houlihan and Schmidt are associated with his firm.

Dorgan said Conrad said they did not know specifically who provided the money used to hire the detectives. Both said they did not know whether any use has been made of the information the detectives gathered.

"I think it's the ugliest kind of politics I've seen in 19 years of public life," Dorgan said. "I intend to get to the bottom of this and see who is responsible."

"I was told ... that the broad charges were to find something on Dorgan and Conrad," Conrad said. "I have been told they ran an investigation and were not able to find anything on me and have run quite a gone mill."

Dorgan said he believed he was the target of an effort to spread unflattering information about him, including revelations about his wife, Kimberly, and her work as a lobbyist for the Canadian lumber industry.

Envelopes containing copies of government documents were mailed anonymously to newspapers to call their attention to Kimberly Dorgan's activities.

Dorgan later admitted that he failed to mention his wife's employer on his [illegible] report.

Barry. He said the omission was a mistake.

Copies of newspaper clippings in the anonymous envelopes bear the mark of a clipping service in Grand Forks, and alongside that is the number 68, Dorgan said. That is the account number for the North Dakota Republican Party, he said.

Freborg said it was possible the clippings came from the party's files, which are open to anyone who is a Republican. He did not know who made copies of those clippings, he said.

Those clippings could have changed hands a number of times after leaving the office and their appearance in the anonymous envelopes is not proof that the party was involved, Freborg said.

Dorgan and Conrad keep tabs on their opponents and say the nature of politics requires it.

For example, politicians and political parties routinely examine each other's financial disclosure statements, campaign finance reports, government expense vouchers and other official documents.

On July 11, Carol Joan Larson, press secretary to the Conrad campaign attended a news conference called by a polling firm that has been working for Andrews and the National Republican Senatorial Committee.

Larson asked no questions but

was held by Decision Making Information.

She also brought along copies of a statement issued by Conrad. She said later that was her reason for being there.

"Sure, you always have some other opposition to any Democrat," Dorgan said. "There's a line and I don't cross. You don't have proof of eyes.

"That's the most suspicious, questing behavior I ... and of

Freborg said there are [illegible] gathering information about [illegible] using private detectives.

"I would not approve that we do not condone it," he said. "I can speak for the North Dakota Republican Party, but I cannot speak for every loving Republican."

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...ical investigation—

—continued from page 1

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"That's the most outrageous, disgusting behavior I've heard of."

Freborg said there are ways of gathering information short of using private detectives.

Investigators probing backgrounds of Dorgan, Conrad

VC 8/4

By RICHARD L. VERNACI
Associated Press Writer

BISMARCK, N.D. (AP) — Investigators from a private detective agency have been gathering information on two Democratic congressional candidates, who say the action is politically motivated.

State Tax Commissioner Kent Conrad, the Democratic-NPL Party's candidate for the U.S. Senate, and Rep. Byron Dorgan, D-N.D., say they have been aware for several weeks that agents of W.T. Butcher & Associates Ltd. have been investigating them.

"I have heard from a half a dozen sources over the months that Mr. Butcher or employees of his firm have been snooping around about Kent and myself," Dorgan said. "Its entire connection is to the political campaign; I'm certain of that."

However, William T. Butcher, the founder of the agency, refused to confirm or deny that his company had been hired to gather information on Dorgan and Conrad.

"I work for clients, usually law firms, and I am not at liberty to divulge who my clients are or who the subjects of an investigation are," Butcher said. "I can say this, however, that I have not and I do not conduct investigations for political parties or for candidates."

Although he would decline to gather information for politicians or parties, Butcher said he would investigate the background of a political candidate if hired by a law firm to do so.

State Republican Chairman Layton Freborg, Sen. Mark Andrews, R-N.D., and GOP House candidate Syver Vinje all said they were not aware of an investigation of the Democrats by private detectives. All of them said they did not know who was responsible.

"I can assure you that it is not the North Dakota Republican Party," Freborg said.

Conrad is running against Andrews, and Vinje is opposing Dorgan's re-election bid.

Meanwhile, witnesses and documents show that investigators from Butcher's agency have been gathering information on Dorgan and Conrad.

Cletus Schmidt, an investigator who joined the firm in 1985, copied part of the file on Dorgan's divorce from his second wife, Judy, according to records at the South Central District Court Clerk's office.

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Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

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Thompson, who turned down the request, said Houfek told him he was working for an investigative firm. He did not identify it or say why he wanted the material, Thompson said.

Butcher acknowledged that Houfek and Schmidt are associated with his firm.

Dorgan and Conrad said they did not know specifically who provided the money used to hire the detectives. Both said they did not know whether any use has been made of the information the detectives gathered.

"I think it's the ugliest kind of politics I've seen in 15 years of public life," Dorgan said. "I intend to get to the bottom of this and see who is responsible."

"I was told ... that the broad charge was to find something on Dorgan and Conrad," Conrad said. "I have been told they ran an investigation and were not able to find anything on me and have run into a stone wall."

Dorgan said he believed he was the target of an effort to spread unflattering information about him, including revelations about his wife, Kimberly, and

Continued on page 9—

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THE BISMARCK TRIBUNE

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GOP attorneys probed Dorgan

One D.C. lawyer resigns under pressure; others won't comment

By GERRY GILMOUR
Tribune Staff Writer

One of at least four lawyers believed to be involved in investigations of Rep. Byron Dorgan has resigned under pressure from his law partners.

Washington attorney Marion Harrison has admitted he hired W.T. Butcher and Associates, a Bismarck detective agency, to investigate Dorgan. Harrison has been a prominent figure in Republican Party fund raising and was involved in a noncriminal way in the milk fund scandal of 1971, part of the whole Watergate controversy that ended in the resignation of President Richard Nixon.

A Tribune investigation has turned up two other attorneys directly involved in gathering information about Dorgan's wife, and a third who sources say hired them. But nobody has been able to establish who financed the investigation, which Dorgan believes cost more than $100,000.

A spokesman for Harrison's law firm, Alexander J. Pires Jr., said Harrison admitted hiring the detectives but refused to reveal who retained him to do so.

Harrison was forced to resign Monday because his law partners don't "want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman," Pires told The Associated Press. "The members of the law firm feel strongly that this kind of tactic is wrong and has no place in the political system."

Private investigators from Butcher have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad. But Harrison told The Fargo Forum Monday he had nothing to do with an investigation of Conrad.

In June, a package of material was mailed to The Tribune anonymously. Documents in the package showed that Dorgan's wife, using the name Kimberly Sue Olson, has worked as a lobbyist on behalf of Canadian timber interests against a trade proposal before the House Ways and Means Committee. Rep. Dorgan is a member of that committee.

The package also contained a copy of the couple's marriage license from Snohomish County, Washington.

Using Washington state's open records law, The Tribune has found that Bellevue, Wash., attorney Peter M. Lind obtained the copy of the license on Oct. 11 from the vital records section of the Department of Social and Health Services in Olympia, Wash.

Other documents in the package were obtained from the U.S. Justice Department's foreign agent registration unit's internal security section by Washington D.C. attorney Fritz Giesecke. The Tribune was able to establish he checked out the file through a Freedom of Information request last month.

According to sources who declined to be identified, Lind and Giesecke were both working directly or indirectly for Bert Rand, who is Giesecke's law partner in Washington, D.C.

Neither Giesecke or Rand would return telephone calls to The Tribune this week. This morning a secretary who said she would "find out" if the attorneys were available for comment said: "I've been told

(More on LAWYERS, Page 11A)

CONTINUED FROM PAGE 1A

not to give you any information."

The sources say both attorneys involved have links to the Republican Party.

Lind told The Tribune this morning he was hired by an Oregon law firm, but did not remember of the firm's name and has not received a commission.

Harrison's law firm, founded by former Sen. Hugh Scott, R-Pa., is engaged largely in lobbying and corporate law.

The milk fund scandal in which Harrison was involved grew out of allegations that Nixon or Nixon aides traded an agreement to increase the amount of federal milk subsidies in exchange for campaign contributions from the milk industry. According to Associated Press reports in 1971, Harrison wrote a dairy cooperative executive complaining about delays in getting contributions. But Harrison was never indicted for any crime.

The Reagan administration nominated Harrison for a seat on the U.S. Circuit Court of Appeals in Washington in 1985. His name was later quietly withdrawn.

In a Sunday Tribune story, Butcher said he would not work for political candidates but would work for attorneys. He said he would not talk about any specific investigation.

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

Private eyes probing Conrad, Dorgan records

By RICHARD L. VERNACI
Associated Press Writer

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See EYES on page 2

EYES

Continued from page 1

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"I would not operate that way; I do not condone it," he said. "I speak for the North Dakota Republican Party, but I cannot speak for every living Republican."

The first French nuclear explosion was set off Feb. 16, 1960, in the Sahara Desert.

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GOPer tied to probe of Dorgan

FBI FGO 8/5

By Sid Spaeth
and Patrick Springer
STAFF WRITERS

A prominent Washington attorney said Monday that he paid a private detective to investigate Democratic North Dakota Congressman Byron Dorgan's background.

Marion Edwyn Harrison — whose involvement in Republican politics dates back more than 30 years and who was involved in fund-raising for former President Richard Nixon that came under scrutiny by a Senate committee probing Watergate — said he ordered the investigation on behalf of another law firm.

Although he acknowledged efforts to examine Dorgan's past, Harrison denied authorizing an investigation of Kent Conrad, the state tax commissioner and a Democratic U.S. Senate candidate.

Disclosure of Harrison's role in hiring a Bismarck private investigating firm prompted the announcement on Monday of his resignation from the Washington law firm of Scott, Harrison & McLeod. Partners in the firm said the firm was renamed Monday, deleting Harrison's name.

Asked about his involvement in hiring an investigator to probe the backgrounds of Dorgan and Conrad, Harrison said he only paid the firm "to investigate one person — Byron Dorgan."

Harrison said he hired the firm on behalf of Washington attorney Bert Rand. Rand could not be reached for comment late Monday.

Conrad and Dorgan have assailed the use of private detectives to investigate their backgrounds, characterizing the move as dirty politics.

"These Watergate-type dirty tricks are the worst of American politics," Dorgan said. "If Mr. Harrison is involved, I think the law firm did the right thing."

Conrad said he was certain investigators also probed his background because they requested the tape of one of his press conferences from David Thompson, news director of KCND radio in Bismarck.

□Probe
Continued from Page A1

"I believe a member of the North Dakota news media ahead of Mr. Harrison," Conrad said. "This is pretty sleazy business when you hire a private investigator to look at the background of someone who is running for federal office."

Reached at his Washington law office, Harrison said he would resign "in due time," which he described as the end of the year. Harrison is a law partner of former Republican Senate Minority Leader Hugh Scott, who represented Pennsylvania from 1959 to 1977, and a member of the American Bar Association board of governors.

The announcement of Harrison's resignation came after a lengthy meeting of the law partners Monday afternoon, which followed a meeting between Dorgan and several lawyers from the firm last week.

Alexander Pires Jr., the firm's managing partner, said that after discussing the investigation with law partners, it was agreed Harrison would resign. Pires said the other partners had not known about Harrison's role in the investigation of a political candidate, and had not authorized it.

Harrison said he was resigning because of differences with other members of the firm and that Monday's discussion was "the straw that broke the camel's back." He said he was a litigator, and the firm, formed two years ago, increasingly was becoming a lobbying firm.

While Pires said the firm's name change was effective Monday, Harrison said he plans to leave the firm at the end of the year.

Harrison figures prominently in Republican party circles.

He was a candidate for a seat on the U.S. Circuit Court of Appeals in Washington in 1985, but later withdrew his name from consideration.

Harrison reportedly played a role in 1971 in channeling campaign contributions from dairy associations to then-President Nixon's reelection campaign.

According to an Associated Press report printed in The New York Times in May of 1974, Harrison was a lawyer associated with the late Murray Chotiner, who had resigned as Nixon's special counsel and was retained by the Associated Milk Producers Inc.

On June 16, 1971, Harrison reportedly wrote a dairy cooperative executive complaining about delays in getting contributions, which the committee alleged were traded for Nixon's move to increase dairy supports.

According to testimony in 1974, milk producers promised contributions to the Nixon campaign in exchange for higher milk price supports.

Harrison declined to elaborate about his reasons for withdrawing his candidacy for the circuit court judgeship, although he denied it was because of publicity surrounding the dairy contributions issue. He said conservative judicial candidates commonly face vocal opposition from congressional liberals.

Dorgan and Conrad claimed that investigators from the private detective firm of W.T. Butcher & Associates Ltd., have been researching the backgrounds of the two men. Dorgan, a three-term Congressman, is seeking reelection against Republican candidate Syver Vinje. Conrad, the state tax commissioner, is seeking election to the U.S. Senate against Mark Andrews.

Vinje, Andrews and state Republican Party Chairman Jayton Freborg all denied involvement in the investigation.

An investigator from the Butcher firm obtained copies of part of the file on Dorgan's divorce and another investigator requested a tape of a Conrad press conference from the Bismarck radio station, which denied the request.

Harrison said he thought it was in April when he hired Butcher. Asked why Rand wanted Harrison to hire the investigator instead of doing his own hiring, Harrison said, "They didn't say and I didn't ask. This a firm, which needless to say, has had a client relationship for a long time. (It is) not just somebody who called up out of the blue."

Women in leadership selects Rohde

FGO 8/5

Barbara Rohde, formerly of Pettibone, N.D., has been selected by the Coro Foundation, New York City, to be one of 24 participants in the first "Women in Leadership" program to be held in Washington D.C. The program will be a six month intensive course, beginning in September.

The goals of "Women in Leadership" are to increase the number and develop the effectiveness of women who seek leadership positions in the Washington, D.C. area.

For the past five years Rohde has served as an assistant to Rep. Byron L. Dorgan.

Rohde received her bachelor's degree in journalism from the University of North Dakota, Grand Forks, and her master's degree from the University of Denver, Colo. In July, Rohde was named as one of 20 women across the nation to be recognized in the January, 1987, issue of "Self" magazine, for her work to establish a political Action Committee in Washington to promote the cause of family farmers in the nation.

She has also served as chairman of the Ninety-Nines of Washington, D.C. (Organization of Licensed Female Pilots) and has been a member of the board of the Boys and Girls Club of Washington. She is a member of the Junior League of Washington and a volunteer with the DC Special Olympics.

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THE BISMARCK TRIBUNE

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late edition

Plot thickens in Dorgan who-dun-it

GOP lawyer who hired investigators resigns; others won't comment

By GERRY GILMOUR
Tribune Staff Writer

The unraveling mystery of who's been investigating Rep. Byron Dorgan's background has led to a Washington D.C. attorney who resigned yesterday under pressure from his law partners.

Attorney Marion Harrison, one of at least four lawyers believed to be involved, has admitted hiring W.T. Butcher and Associates, a Bismarck detective agency, to investigate the Democratic congressman.

Harrison has been a prominent figure in Republican Party fund raising and was involved in a non-criminal way in the milk fund scandal of 1971, part of the whole Watergate controversy that ended in the resignation of President Richard Nixon.

A Tribune investigation has turned up two other attorneys directly involved in gathering information about Dorgan's wife, and a third who sources say hired them. But nobody has been able to establish who financed the investigation, which Dorgan believes cost more than $100,000.

A spokesman for Harrison's law firm, Alexander J. Pires Jr., said Harrison admitted hiring the detectives but refused to reveal who retained him to do so.

Harrison was forced to resign Monday because his law partners don't "want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman," Pires told The Associated Press. "The members of the law firm feel strongly that this kind of tactic is wrong and has no place in the political system."

Private investigators from Butcher's agency have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad. But Harrison told The Fargo Forum Monday he had nothing to do with an investigation of Conrad.

In June, a package of material was mailed to The Tribune anonymously. Documents in the package showed that Dorgan's wife, using the name Kimberly Sue Olson, has lobbied on behalf of Canadian timber interests against a trade proposal before the House Ways and Means Committee. Rep. Dorgan is a member of that committee.

The package also contained a copy of the couple's marriage license from Snohomish County, Washington.

Using Washington state's open records law, The Tribune has found that Bellevue, Wash., attorney Peter M. Lind obtained the copy of the license on Oct. 11 from the vital records section of the Department of Social and Health Services in Olympia, Wash.

Other documents in the package were obtained from the U.S. Justice Department's foreign agent registration unit's internal security section by Washington D.C. attorney Fritz Giesecke. The Tribune was able to establish he checked out the file through a Freedom of Information request last month.

According to sources who declined to be identified, Lind and Giesecke were both working directly or indirectly for Ikert Rand, who is Giesecke's law partner in Washington, D.C. The sources say both attorneys involved have link[illegible] the

(More on LAWYERS, Page 11A)

CONTINUED FROM PAGE 1A

Republican Party.

Neither Giesecke or Rand would return telephone calls to The Tribune this week. This morning a secretary who said she would "find out" if the attorneys were available for comment said: "I've been told not to give you any information."

Lind told The Tribune this morning he was hired by an Oregon law firm, but did not remember the firm's name and has not received a commission. "I'm an innocent party in this thing," he said.

Harrison's law firm, founded by former Sen. Hugh Scott, R-Pa., is engaged largely in lobbying and corporate law.

The milk fund scandal in which Harrison was involved grew out of allegations that Nixon or Nixon aides traded an agreement to increase the amount of federal milk subsidies in exchange for campaign contributions from the milk industry. According to Associated Press reports in 1971, Harrison wrote a dairy cooperative executive complaining about delays in getting contributions. But Harrison was never indicted for any crime.

The Reagan administration nominated Harrison for a seat on the U.S. Circuit Court of Appeals in Washington in 1985. His name was later quietly withdrawn.

In a Sunday Tribune story, Butcher said he would not work for political candidates but would work for attorneys. He said he would not talk about any specific investigation.

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

Attorney hired firm to probe Dorgan

By Richard L. Vernaci
Associated Press

WASHINGTON — A law firm engaged in lobbying forced one of its founding partners to resign because he hired private detectives to investigate Rep. Byron Dorgan, D-N.D., a spokesman for the firm said Tuesday.

"This is something that we are very uncomfortable with," said spokesman Alexander Pires Jr. "We don't want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman."

Marion Edwyn Harrison, a founding partner in the firm Scott, Harrison and McLeod, was asked to resign during a meeting of the partners convened late Monday in the wake of discovering he had hired detectives in Bismarck, Pires said.

Private investigators from W.T. Butcher & Associates Ltd. have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad.

Butcher said Tuesday that Harrison hired him in March to gather background information on Dorgan. Butcher had initially declined to identify his client but said he was doing so now because Harrison had acknowledged the arrangement.

Butcher said he did not know when the investigation ended and declined to reveal the contents of his report to Harrison beyond saying that he provided Harrison with copies of transcripts from Dorgan's two divorces.

"He did not identify his client, but he said most of his practice involved agricultural interests," Butcher said in Bismarck.

Harrison did not request any material on Conrad, Butcher said.

"Our firm has never investigated Conrad," he said.

However, David Thompson, news director for KCND Radio in Bismarck, said one of the investigators from Butcher's agency, Dan Houfek, contacted him a couple of months ago asking for a tape recording of a Conrad news conference.

Butcher said he did not know why Houfek asked for the tape.

Conrad and Dorgan have said they believed the investigation was politically motivated but did not know who was behind it.

Dorgan said Tuesday he had not heard of Harrison until recently and his departure from the law firm did not settle the matter of who ultimately is responsible for hiring the detectives.

"I think it's important to find out who has been involved in these campaign dirty tricks," Dorgan said. "I expect we'll discover who that was."

Harrison was out of his office Tuesday and was not immediately available for comment.

Pires said that Harrison acknowledged hiring the detectives but refused to reveal who retained him to do so.

"He said that he had retained Butcher & Associates to do an investigation of the congressman," Pires said.

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

"The partnership has never undertaken, requested, or approved of an investigation of Congressman Dorgan or any member of Congress," the law firm said in a statement. "The members of the law firm feel strongly that this kind of tactic is wrong and has no place in the political system."

The law firm, founded by former Sen. Hugh Scott, R-Pa., is engaged largely in lobbying and corporate law, Pires said.

Although some law firms do hire private investigators to help gather information for their clients, the nature of the Scott firm's practice does not involve that, Pires said.

"We do not have any (investigators) on our staff's and we do not hire investigators," he said.

Harrison was a member of the law firm when it formed two years ago," Pires said.

The firm has changed its name to Scott, McLeod, Himmelberg, Matz, Pires and Price, Pires said.

It already has ordered new stationery and was preparing the change the sign on the door right away, he said.

Harrison represented a group of milk cooperatives and handled campaign contributions from them to former President Richard Nixon's re-election campaign in 1971.

■ Attorney: See Page 2A

Attorney

Continued from Page 1A

newslites

Deduction 8/5 WB

Farmers who donate hay and other commodities to aid the victims of natural disasters should receive a fair tax deduction for their charity, U.S. Sen. Quentin Burdick, D-ND, said.

Burdick has cosponsored a bill to provide farmers a charitable tax deduction equal to the wholesale market price for the product they donate.

Under current law, farmers may take the deduction only for the cost of producing the donated crop.

Burdick said the law would apply to any commodity donated to benefit farmers or any group of people harmed by drought, flood, or other natural disaster. The farmers would donate goods through a state agency, which would certify distribution to areas of greatest need. Donations would have to be made within the first six months following the natural disaster to qualify for the full charitable deduction, he said.

According to Burdick, a group of farm-state Senators backing the bill hope to attach it to another piece of legislation which must pass this year; the extension of the nation's debt limit. If they are successful, the tax change will be approved in time for farmers to use it for the current tax year.

Stringent export standards urged

Washington 8/6 FGO

Rep. Byron Dorgan, D-N.D., testified Tuesday at a congressional grain quality hearing and urged Congress to adopt stringent standards so that exported grain is "clean grain."

Dorgan said it should be illegal to add dirt and other foreign material to grain when it's shipped from ports to foreign countries.

"Grain that leaves this country elevator clean should arrive in foreign countries clean," Dorgan said. "But that's not always the case. U.S. government standards allow exporters to add dirt and other material to grain in larger amounts than most of our allies who compete in the international grain market. I think it ought to be flat-out illegal to add anything to grain at the docks."

Dorgan said many foreign governments have lost confidence in the quality of American wheat and other grains that are shipped abroad.

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Andrews linked to key D.C. attorney

Senator denies any role in probe of Dorgan, Conrad

By CERRY GILMOUR
Tribune Staff Writer

Sen. Mark Andrews today denied he had played any role in the investigation of Rep. Byron Dorgan and said he will work with the congressman to find out who is responsible.

Andrews, a Republican, issued a statement after The Tribune learned that the senator is a friend of Bert Rand, the Washington D.C. attorney who is the key figure in efforts to assemble information about Dorgan and Andrews' Democratic challenger, Kent Conrad.

Andrews association with Rand goes back many years, one source told the Tribune. Andrews' press aide Tim Burke confirmed the two had known each other at least since Andrews served in the House from 1963 to 1981.

The Tribune also learned that John Rand, Bert's son, worked as an aide to Andrews on the Senate Budget Committee for the past three years.

John Rand quit his Senate job in January and went into private practice as an attorney.

Andrews said today he would join with Dorgan to "get to the bottom of this as soon as possible."

Meanwhile, Dorgan and Conrad said this morning they may ask the Federal Election Commission to intervene.

"I think the North Dakota people deserve to know who's involved in this kind of politics," Dorgan said.

Said Conrad, "There's a strong likelihood that we will file an FEC complaint. Someone has got to get to the bottom of this. It's extremely interesting that Andrews is a good friend of Rand's."

The use of political funds to influence an election would violate Federal election laws unless the payments were disclosed on campaign expense reports.

Once a complaint is filed, FEC investigators have the authority to subpoena witnesses and documents.

Andrews said this morning that Bert Rand told him he was hired by a client to assemble the package.

The package was mailed anonymously to The Tribune in June from Seattle. It revealed Dorgan's wife has worked as a lobbyist on behalf of Canadian timber interests

(More on DORGAN, Page 8A)

Cont on Page 2

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Dorgan may file probe complaint

By Sid Speeth and Patricl Springer
STAFF WRITERS

Rep. Byron Dorgan, D-N.D., said Tuesday he is considering filing a complaint with the Federal Election Commission asserting that political funds were used to hire private detectives to investigate his background.

Democratic sources said Dorgan would file the complaint, but Dorgan would not confirm the report late Tuesday, saying, "Kent (Conrad) and I have discussed that, but we have not made a decision."

Conrad, state tax commissioner, is a candidate for the U.S. Senate seat held by Mark Andrews, a Republican.

Democratic party sources in North Dakota, who spoke on the condition of anonymity, said Dorgan could file the complaint as early as this week.

"We're not going to let this drop," one source said. "We're not going to drop this until we know who is behind it — whether it's before the election or after."

Dorgan and Conrad have complained that private detectives have been hired to do background checks on them.

"Obviously, we would like to see where all of this leads and who is responsible," Dorgan said. "In the process of that, we will make a decision about (filing a complaint)."

Conrad would not comment on the report.

Dorgan, a three-term congressman, is running for re-election against Republican Syver Vinje.

Andrews, Vinje and State Republican Party Chairman Layton Freborg have denied involvement in the investigation.

Freborg repeated earlier assertions that he is confident nobody in the North Dakota Republican Party was involved in hiring the private investigators. He said, however, it is possible that out-of-state Republicans might be involved without the state party's knowledge.

Freborg accused the Democrats of "making a mountain out of a molehill" and suggested Dorgan was overreacting.

"He's very nervous," Freborg said of Dorgan. "I doubt very much that anyone with a clean slate ... would be very concerned."

A prominent Washington attorney was asked to resign from his law firm Monday after it was disclosed that he hired the Bismarck, N.D., investigative firm W.T. Butcher & Associates, to probe Dorgan's background.

Marion Edwyn Harrison told The Forum he authorized the investigation on behalf of Washington attorney Bert Rand. Harrison denied he authorized an investigation into Conrad, although one of Butcher's detectives requested the tape of a Conrad press co[illegible] from a Bismarck radio stati[illegible]

Sources said an FEC complaint would name numerous Republican Party officials who might have had a role in the investigati[illegible] The sources said the use of political funds for an investigation of candidates would violate federal election laws unless the payments were disclosed on campaign expense reports.

A complaint to the FEC would

□Dorgan
Back page, Column 1

A14 Wednesday, August 6, 1986

□Dorgan

Continued from Page A1

enable officials to interview people connected with the investigation in an attempt to find out who is paying for the probe, sources said. Dorgan estimated the investigation could be costing $100,000.

Harrison and Rand are among the four attorneys linked to the investigation of Dorgan.

Chris Glaescke, who shares law offices in Washington with Rand, obtained some documents on Dorgan's wife, Kimberly, Sen. Olson from the Justice Department, library in Washington.

Information on the lobbying activities of Olson was later sent in anonymous packages to several newspapers, including The Forum.

Glaescke and Rand did not return numerous calls to their Washington office Tuesday.

Peter M. Lind, an attorney from Bellevue, Wash., copied part of Dorgan's marriage license from a Snohomish County, Wash., court.

Lind said Tuesday that he thinks he copied the marriage license at the request of a Portland, Ore., law firm in October. The request for a copy of Dorgan's license came less than two weeks after the release of a poll showing Dorgan would win a hypothetical Senate race against Andrews by 58 percent to 41 percent.

Lind said he does not recall who requested the information and he found no time slips or billing records of the transaction in his office.

He said he did not know why the request was made. "My recollection is that it was just sort of a convenience thing," Lind said. "Someone said 'Can you get it for us.' It's a public record, so why not? What the heck. Apparently, it stirred up a tempest with somebody."

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Poison pen trail leads to Andrews pal

Senator denies any role in probe of Dorgan, Conrad

By GERRY GILMOUR
Tribune Staff Writer

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Andrews, a Republican, issued a statement after The Tribune learned that the senator is a friend of Bert Rand, the Washington D.C., attorney who is the key figure in efforts to assemble information about Dorgan and Andrews' Democratic challenger, Kent Conrad.

Andrews' association with Rand goes back many years, one source told the Tribune. Andrews' press aide Tim Burke confirmed the two had known each other at least since Andrews served in the House from 1963 to 1981.

The Tribune also learned that John Rand, Bert's son, worked as an aide to Andrews on the Senate Budget Committee for the past three years.

John Rand quit his Senate job in January and went into private practice as an attorney.

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(More on DORGAN, Page 8A)

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Washington attorney fired; had Dorgan investigated

WASHINGTON (AP) — A law firm engaged in lobbying forced one of its founding partners to resign because he hired private detectives to investigate Rep. Byron Dorgan, D-N.D., a spokesman for the firm said Tuesday.

"This is something that we are very uncomfortable with," said spokesman Alexander J. Pires Jr. "We don't want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman."

Marion Edwyn Harrison, a founding partner in the firm Scott, Harrison and McLeod, was asked to resign during a meeting of the partners convened late Monday in the wake of discovering he had hired detectives in Bismarck, N.D., Pires said.

Private investigators from W.T. Butcher & Associates Ltd. have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad.

Butcher said Tuesday that Harrison hired him in March to gather background information on Dorgan. Butcher had initially declined to identify his client but said he was doing so now because Harrison had acknowledged the arrangement.

Butcher said he did not know when the investigation ended and declined to reveal the contents of his report to Harrison beyond saying that he provided Harrison with copies of transcripts from Dorgan's two divorces.

"He did not identify his client, but he said most of his practice involved agricultural interests," Butcher said in Bismarck.

Harrison did not request any material on Conrad, Butcher said.

"Our firm has never investigated Conrad," he said.

However, David Thompson, news director for KCND Radio in Bismarck, said one of the investigators from Butcher's agency, Dan Houfek, contacted him a couple of months ago asking for a tape recording of a Conrad news conference.

Butcher said he did not know why Houfek asked for the tape.

Conrad and Dorgan have said they believed the investigation was politically motivated but did not know who was behind it.

Dorgan said Tuesday he had not heard of Harrison until recently and his departure from the law firm did not settle the matter of who ultimately is responsible for hiring the detectives.

"I think it's important to find out who has been involved in these campaign dirty tricks," Dorgan said. "I expect we'll discover who that was."

Harrison was out of his office Tuesday and was not immediately available for comment.

Pires said that Harrison acknowledged hiring the detectives but refused to reveal who retained him to do so.

"He said that he had retained Butcher & Associates to do an investigation of the congressman," Pires said.

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

"The partnership has never undertaken, requested, or approved of an investigation of Congressman Dorgan or any member of Congress," the law firm said in a statement. "The members of the law firm feel strongly that this kind of tactic is wrong and has no place in the political system."

The law firm, founded by former Sen. Hugh Scott, R-Pa., is engaged largely in lobbying and corporate law, Pires said.

Although some law firms do hire private investigators to help gather information for their clients, the nature of the Scott firm's practice does not involve that, Pires said.

"We do not have any investigators on our staffs and we do not hire investigators," he said.

Andrews friend hired agency to probe Dorgan

By James McGregor
and Reed Karaim
Herald Washington Bureau

WASHINGTON — Sen. Mark Andrews, R-N.D., admitted Wednesday that a longtime friend, Washington attorney Bert Rand, hired a private detective agency to investigate Rep. Byron Dorgan, D-N.D.

But Andrews said that he had no knowledge of the arrangement and he wants to join Dorgan in filing a request that the Federal Election Commission investigate the matter.

"I'm categorically saying that I had nothing to do with this so-called political investigation that was done of Congressman Dorgan," Andrews said.

Andrews said that Rand told him that the private detectives were hired to investigate Dorgan in response to a "business request" from a client.

In a late afternoon press conference, Andrews said that he had talked to Rand on the telephone Tuesday morning after he read in North Dakota newspapers that Rand was behind the investigation.

"I said, 'What are you doing and why?' I said, 'How come you are monkeying around in politics in my home state?' And in effect I said, 'You know, what gives?' " Andrews said. "He said, 'This is a business deal. I don't monkey around in politics.' "

Andrews said he didn't ask Rand who the client was because, "Candidly, he probably wouldn't have told me."

Andrews said that Rand has been "one of my better friends" since the late 1950s. He said they get together every few months and that Rand and his wife met Andrews and his wife, Mary, in Salzburg, Austria, last summer. Andrews said they spent several days together at a music festival.

Andrews also acknowledged Wednesday that Rand's son, John Rand, worked on Andrews' staff from the summer of 1983 until January this year. John Rand worked on Andrews' personal staff for several months before becoming Andrews' aide on the Budget Committee.

John Rand, contacted Wednesday at his Alexandria, Va., law office, said there was no connection between his hiring and his father's friendship with Andrews. "I don't think my father had anything to do with my getting my job," he said.



Andrews Dorgan

Several former Andrews aides said that Rand was hired because of his father's connections, but that he proved to be one of the most hard-working and competent members of Andrews' staff.

John Rand also denied knowing anything about the Dorgan investigation and he refused to talk about his father's relationship with Andrews. A secretary at Bert Rand's Washington law office said Wednesday he was traveling and could not be reached for comment.

Dorgan mulls complaint

Meanwhile, Dorgan said Wednesday he still has not decided whether to file a complaint with the FEC to determine if unreported campaign funds financed the investigation.

"I am not in a position to accuse Sen. Andrews of anything at this point," Dorgan said. "I don't expect my best friends to hire detectives. But it is hard to conjecture."

Dorgan said that he contacted Rand earlier this week and asked who hired him. Dorgan said that Rand promised to give him that information next week. "But that gives folks a lot of time to arrange things."

Dorgan and Andrews, North Dakota's two most popular political figures, have been bitter enemies for many years. They often argue about the Garrison Diversion project and other North Dakota issues that reach Congress.

Andrews claims a smear

Andrews suggested Wednesday that Dorgan and State Tax Commissioner Kent Conrad, a Dorgan protege who is challenging Andrews for the Senate, could be using the investigation to smear Andrews.

"I wouldn't put it past them," Andrews said.

■ Probe: See back page

After the disclosure that he had hired a private investigator to investigate Dorgan, Harrison was forced to resign from the law firm he helped found two years ago. A spokesman for the firm said that the other partners were "mortified" and "apologetic" that a member of their firm initiated an investigation into "the private affairs of a congressman."

Harrison admitted paying $3,000 to Butcher's detective agency. But he said that he had acted on behalf of Rand. Harrison couldn't be reached for comment Wednesday.

Earlier this year, Harrison's name was withdrawn as a candidate for a federal judicial post after investigators began looking into his past involvement in the milk fund scandal.

In 1972, Harrison solicited campaign contributions for Nixon from milk producers' associations that were granted higher government price supports that year. He was never indicted.

This packet led to stories that Dorgan had failed to report on his House financial disclosure statement that his wife was working as a lobbyist.

According to Justice Department records, the documents that detailed Dorgan's wife's connection to the dairy industry were obtained last month by Fritz Gleeckle, a Washington, D.C., attorney. Gleeckle, who could not be reached for comment, is a partner in Rand's law firm.

Investigations into Dorgan's background also were conducted in North Dakota. A Bismarck detective agency, W.T. Butcher and Associates, had been hired to investigate Dorgan's personal life.

Washington, D.C., attorney Marion Edwyn Harrison, a prominent Republican activist and bit player in the Nixon administration milk fund scandal, has admitted to hiring the agency, headed by William T. Butcher, a former FBI agent.

run against Andrews after a spring poll showed Dorgan beating Andrews by 2-1 in a hypothetical race.

Beginnings of probe

The first recorded event in the probe took place on Oct. 11, when Peter Lind, a Bellevue, Wash., attorney obtained a copy of Dorgan's marriage license from the Department of Social and Health Services in Olympia, Wash. Dorgan, who rarely talks about his private life, married his third wife, Kimberly Sue Olson, 27, a Washington state native, in April 1985.

Lind claims to be unable to remember whom he obtained the license for but says he believes it was an "Oregon law firm."

Earlier this summer, the marriage license, and papers showing that Olson is a lobbyist for Canadian timber interests, became part of a packet mailed anonymously to several newspapers. One of the clippings in the packet was later traced to the North Dakota State Republican Party.

This came several minutes after Andrews suggested that perhaps friends of Sen. Quentin Burdick, D-N.D., whom Dorgan is expected to challenge in 1988, were behind the investigation.

"He's running for the Senate sent in [illegible]," Andrews said of Dorgan. "By that kind of justification, maybe some friends of Quentin Burdick are gleaning (this) up."

Burdick denies role

Burdick, when told of Andrews' assertion, said: "This is completely wild. This is pathetic. Somebody is smoking opium on this one. Maybe he wants to share the grief in some damn way. Why he is bringing me into this I don't know. What the hell is he talking about?"

The history of the investigation of Dorgan is a long and convoluted saga that has been unraveling slowly in various news accounts during the past month.

It apparently began in 1985, when Dorgan seemed a likely candidate to

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organizations, which declined to use it, Dorgan said.

"The packet was obviou[illegible] sent by someone trying to mak[illegible] political statement," he said.

Dorgan said his wife's work presented no conflict of interest.

"She has her career and I have mine and they are not in conflict," he told the newspaper. After they married, he contacted the House Ethics Committee to ensure there would be no conflict, he said.

Dorgan has not felt he had to abstain from any recorded votes as a member of the Ways and Means Committee, he said.

In lobbying against the Omnibus Trade Bill that passed the House, Mrs. Dorgan produced the usual statements and people to back up Canadian timber industry views, according to a congressional aide

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Dorgan defends wife's lobbying activities

LETTER

Sometimes a story is written in such a way that it leads a reader to the wrong conclusion. That was true of the Tribune's story Sunday about my wife's employment.

Let me give you an example. The Tribune story would lead the reader to believe that 1) I serve on the Trade subcommittee in Congress, 2) my wife represents only Canadian interests on trade issues and, 3) my wife's activities influence my vote.

All of those are patently false. 1) I do not serve on the Trade subcommittee, 2) my wife does work for both United States companies and Canadian companies on a free trade initiative and, 3) the only vote I have cast on a trade bill I have cast in opposition to the position of my wife's clients.

So then why did The Tribune run the story? Because they received an anonymous folder of information with only selected pieces of information about my wife's employment arranged to make it appear improper. It's unfortunate that The Bismarck Tribune elected to print it.

Let me give your readers the full and correct information.

Kim is a senior legislative associate with APCO associates (a subsidiary of Arnold and Porter Law Firm in Washington, D.C.) Her educational and work background are in the field of international trade and that is the type of work she performs at APCO.

Kim's employer represents many U.S. companies and also international companies on trade issues. Because of this, the company Kim works for is required by law to register her as a foreign agent for purposes of working on trade issues on Capitol Hill. She has principally worked on trade issues affecting timber on behalf of a group of U.S. companies and also on behalf of some Canadian companies. There is nothing at all unusual or improper about her job or her registration by her firm to represent international clients.

Her job includes research, writing and organizing on trade issues for her clients in APCO. Less than one-fourth of her time is spent on Capitol Hill working on congressional matters.

My wife has worked in the trade field for five years. She was working on trade issues in Washington D.C. before I met her.

When we were married, we wanted to be certain there was no conflict between my service in Congress and her work on international trade. I asked the House Ethics Committee for their opinion and they responded by stating that my wife's activities do not constitute a conflict of interest.

The Tribune along with some other news organizations received the anonymous envelopes with selected information about Kim's employment arranged in a manner to make it appear improper. Other news organizations discarded it as unfair and not newsworthy, but unfortunately The Tribune chose to use it.

Having to defend one's self or one's family is often an occupational necessity in politics, but one normally doesn't have to do so in response to anonymous folders of only selected information carefully arranged to distort something.

The Tribune's treatment of that was both unfair and unfortunate.

Byron L. Dorgan
Member of Congress

Tribune 6-30-86

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Tribune 6-30-86

Shouldn't we know who Representative's wife represents?

Somebody went to a lot of trouble to try to embarrass North Dakota's Democratic Rep. Byron Dorgan.

Included in a package of some 40 photocopied documents mailed to the Tribune last week were copies of the Congressman's marriage license from Snohomish, Wash., foreign agent registration forms filed with the Department of Justice and clippings from North Dakota and Washington newspapers.

The unsigned cover letter that came with the papers contended that Dorgan's wife's activities as a lobbyist for Canadian timber interests were even more "scandalous" than those of former Reagan presidential assistant Michael Deaver. Deaver, the letter noted, had left the White House before going to work for the Canadians, while Mrs. Dorgan's husband was still in office.

Dorgan won't say who he thinks put the package together. The U.S. lumber industry would obviously stand to gain from discrediting Canadian lobbying efforts. And the package was mailed from Mrs. Dorgan's home state of Washington.

But Dorgan's friends see a source closer to home; they think they detect the hand of at least one Republican party zealot in Bismarck.

Regardless of the source, the essential facts are not in dispute.

Is there a conflict of interest?

The congressman has not, apparently, allowed his wife's involvement to sway his own vote, and Sunday's story said he had not. But "influence peddling" in Washington is more subtle than that.

Suppose you were a congressman approached by the wife of another congressman in support of controversial legislation. If that other congressman sat on a committee considering legislation you supported, you might be inclined to give his wife's views a little more attention than you would the views of some other lobbyist.

Cont on Page 2

Rep. Dorgan's clout in Washington is hardly in a class with that of Michael Deaver's old boss Ronald Reagan. But horse-trading is a time-honored tradition, and it certainly doesn't hurt Mrs. Dorgan's effectiveness to be known as the wife of a member of the Ways and Means Committee.

Dorgan insists he has not tried to conceal his wife's career; neither has he gone out of his way to publicize it. He says he would have been happy to have reporters interview her. But he was incensed at the Tribune's decision to write about her work Saturday, and refused to put her on the phone.

The congressman notes that his wife represents other interests besides the Canadians (as the Tribune story reported) and that the organization for which she registered as a "foreign agent" also includes shippers and other U.S. companies which support free trade.

He says the Tribune falsely implied that he was a member of the Ways and Means Committee's subcommittee on trade; the Tribune did nothing of the sort.

Dorgan points out correctly that lobbying activities by congressional spouses of both sexes is commonplace.

But the fact that everybody does it does not necessarily make it right.

It is to 27-year-old Kim Olson's credit that she achieved her influential position before she became Mrs. Byron Dorgan. And her academic credentials are impressive.

We would not expect her to give up her career to satisfy a standard of political purity seldom achieved in Washington.

But we do believe that North Dakotans have a right to know what interests are represented by the wife of their only Representative in Washington.

Until Sunday, they did not.

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Page 2

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Rep. Dorgan's wife registers to lobby as foreign agent for Canada timber firms

BISMARCK (AP) — The wife of Rep. Byron Dorgan, D-N.D., is registered to lobby as a foreign agent, representing timber interests in Canada and the United States, the couple said.

Kimberly Sue Olson, as a consultant for APCO Associates, a Washington, D.C., consulting firm, lobbied extensively in 1985 against legislation designed to protect the American lumber industry from Canadian imports, The Bismarck Tribune reported in its Sunday editions.

The newspaper said an anonymous sender mailed a packet from Seattle which contained government documents detailing Mrs. Dorgan's work for APCO and activities of the firm, a subsidiary of the law firm Arnold and Porter.

Dorgan said the story tried to make his wife's work appear improper. Mrs. Dorgan has been working on international trade issues for five years, he said.

"The main thing was my wife was doing this kind of work before I married her," Dorgan said in a telephone interview Sunday. "There's nothing improper about it at all."

The couple married in April 1985, and Mrs. Dorgan, 27, retains her maiden name on the job, she said.

It was Dorgan's third marriage.

APCO is required by law to register some employees as foreign agents, Dorgan said.

APCO represents Canadian lumber interests which want to limit U.S. restrictions on timber trade, The Tribune said. Among its other foreign interests are the Canadian Meat Council, Korean Traders Association and the Chilean National Copper Corp., according to the paper.

In a telephone interview Sunday, Mrs. Dorgan said she devoted fewer than 5 hours a week to lobbying on Capitol Hill. Much of her time is spent developing governmental affairs strategies for clients, analyzing trade policy proposals and trying to decide how and if legislation would affect clients, she said.

APCO represents both foreign and domestic concerns, Mrs. Dorgan said, adding that she works largely on timber-related issues.

The firm is "very active on the free-trade stance," she said.

Documents cited by the newspaper said APCO contacted dozens of officials to lobby against trade restrictions during the last half of 1985, including Dorgan's aide, Donna Feinberg.

Mrs. Dorgan said she could not remember whether she or one of three colleagues who also work on trade issues contacted her husband's office on the matter.

"I simply don't recall," she said. "As a general policy, I don't have any contact with Byron's office."

The couple is very conscious of avoiding the appearance of conflict of interest, she said.

"I don't work on issues that will conflict with his position or with the interests of North Dakota," she said.

The anonymous packet The Tribune received was sent to other news organizations, which declined to use it, Dorgan said.

"The packet was obviously sent by someone trying to make a political statement," he said.

Dorgan said his wife's work presented no conflict of interest.

"She has her career and I have mine and they are not in conflict."

WSJ HERALD 6/30

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Dorgan's wife is registered lobbyist

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Dorgan said the story tried to make his wife's work appear improper. Olson has been working on international trade issues for five years, he said.

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Dorgan has not felt he had to abstain from any recorded votes as a member of the Ways and Means Committee, he said.

In lobbying against the Omnibus Trade Bill that passed the House, Olson produced the usual statements and people to back up Canadian timber industry views, according to a congressional aide quoted by The Tribune.

"She's not, by any means, a high-rolling lobbyist," said Rufus Yerxa, an aide to the Ways and Means Committee's trade subcommittee.

"She was not too effective," he said.

The subcommittee recommended passage of the bill, which also won the approval of the full committee, the newspaper said.

Dorgan voted for the trade bill, The Tribune said.

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Mrs. Dorgan's lobby efforts support Canadian interests

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SUN 6/30/86

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7/17/86 Minot/North Dakota

Vinje charges conflict of interest

By PHILIP BRASHER
Associated Press

BISMARCK — Republican congressional candidate Syver Vinje said today that Rep. Byron Dorgan has a "clear potential conflict of interest" with his wife's lobbying activities.

"I hope the Dorgans have a happy and fulfilling marriage, but I don't think a congressman or congresswoman should have a member of their family who's involved in lobbying," Vinje said at a news conference.

A newspaper disclosed in June that Dorgan's wife, Kimberly Sue Olson, is registered to lobby as a foreign agent, representing timber interests in Canada and the United States.

Dorgan, D-N.D., decried that her employment presents a conflict of interest and said he cleared the matter with the House Ethics Committee.

"Mr. Vinje apparently is trying to question my independence by pointing to my wife's career," Dorgan said.



Dorgan



Vinje

"I don't know of anybody who has worked as hard to establish more of a reputation for being independent in Congress on issues than I have. In other words, I think the charge is absurd," Dorgan said.

Vinje's wife, Susan, is a payroll accountant for Basin Electric Power Cooperative, but Vinje said he did not think that would pose a conflict of interest for him.

Kimberly Sue Olson is a consultant for APCO Associates of Washington and lobbied extensively in 1985 against legislation designed to protect the American lumber industry from Canadian imports.

"It's time for Byron Dorgan to come clean (about) just how much money has been paid directly or indirectly by special interests seeking to influence Congress to the Dorgans," Vinje said. "It's a clear potential conflict of interest."

Vinje questioned how Olson could have forgotten whether she had lobbied her husband's office on the trade bill.

"How gullible do the Dorgans think we are?" Vinje asked.

In his opening statement, Vinje twice referred to Olson as the congressman's third wife but denied he was trying to make an issue of Dorgan's two divorces.

"I think it's important that we make this clear ... that this does not involve any of Byron Dorgan's two previous wives," Vinje said.

The Bismarck Tribune, which published the story June 29 describing Olson's employment, said an anonymous sender had mailed a packet from Seattle that contained government documents detailing her work for APCO and activitives of the APCO consulting firm.

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INCUMBENTS

Tribune 7-16-86

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BYRON DORGAN
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In A mass big war chest

Vinje tells Dorgan to 'come clean' about 'third wife's' lobbying

Rep. Byron Dorgan has about 120 times more campaign money available than opponent Syver Vinje, according to reports filed Tuesday with the secretary of state.

But Vinje told a press conference in Bismarck this morning that he's satisfied with his fund raising and then he went on the attack, calling on Dorgan to tell North Dakotans "the whole truth" about his wife's lobbying activities in Washington, D.C.

The records showed Dorgan's campaign with $294,408 cash on hand compared to Vinje's $2,451 at the end of June.

Vinje has raised $15,412.21 in the first six months of the year, $6,951.21 since May 22. Of that amount, $1,000 came from his mother and $500 from his campaign manager, Public Service Commissioner Dale Sandstrom.

Dorgan raised $139,603 in the first six months, $21,140 during the reporting period.

In the Senate race, incumbent Republican Sen. Mark Andrews has raised more than $1.3 million overall, $277,776 in the first six months of this year. Democratic challenger Kent Conrad has collected $192,961 since entering the race in January.

Vinje noted during the press conference that The Bismarck Tribune earlier reported that Dorgan's wife, using the name Kimberly Sue Olson, is a lobbyist registered as a representative of foreign governments and that she lobbied Congress on behalf of Canadian and other interests.

"We have waited for over two weeks for Mr. Dorgan to give North Dakotans the full explanation and disclosure to which they

(More on DORGAN, Page 10A)

Dorgan admits error in reports about wife's career as lobbyist

Washington (AP)

Rep. Byron Dorgan, D-N.D., says failure to include his wife's employer on his 1985 financial disclosure form was an oversight.

But the congressman maintains his wife's job as a lobbyist for a Canadian forestry group does not constitute a conflict of interest. In fact, he points out, he voted for an omnibus trade bill that his wife opposed. The bill passed the House in May of this year.

Dorgan, 44, is a member of the House Ways and Means Committee.

Kimberly Sue Dorgan, 27, works for APCO Associates, a subsidiary of Arnold & Porter, a blue chip law firm which is handling the account of the Ottawa based Canadian Forest Industries Council, according to the Justice Department's foreign agent registration lists. She retains her maiden name, Kimberly Sue Olson, on the job.

Records show that APCO lobbyists paid by the Canadian consortium contacted scores of House members, senators and their aides in 1985, including Dorgan's assistant, Donna Feinberg, on Sept. 9, 1985.

The APCO group has lobbied extensively but unsuccessfully against legislation designed to protect the U.S. lumber industry against Canadian imports. Dorgan voted for the legislation, opposing his wife's position.

The couple married in April 1985. After their marriage, Dorgan said, he checked with the House Committee on Standards of Official Conduct and was assured that his wife's job did not represent a conflict of interest.

Lawmakers, however, are required to list their spouses' place of employment on financial disclosure forms.

(To)Dorgan Page A12, Column 2

Rep. Byron Dorgan with wife, Kimberly Sue Olson

ASSOCIATED PRESS

Dorgan

Continued from Page A1

Dorgan failed to include his wife's employer on his 1985 disclosure form filed May 14, 1986, or on an addendum filed May 21, 1986.

The congressman said the omission was a mistake, resulting from the fact that the 1985 form was the first he had filed since he married Olson.

"It gets a little tiresome to have to defend what I'm doing when I did it a long time before I married Byron and a long time before he was a member of Ways and Means," the congressman's wife, who joined APCO about a year ago.

Before that, she lobbied for Nike, the shoe company, and worked on Capitol Hill for Reps. Don Bonker, D-Wash., and Bill Gray, D-Pa. She specialized in trade and international issues.

Rep. Julian Dixon, D-Calif., chairman of the House ethics committee, said he did not object to lobbying by a congressional spouse if the place of work was disclosed. "I don't think a spouse should be deprived of full employment."

Dorgan said, "I don't think there is anything unusual," in the arrangement because other lawmakers' spouses work as lobbyists or public relations consultants dealing with Congress.

Such relationships include: Rep. Thomas Daschle, D-S.D., whose wife, Linda, is a lobbyist with the Airline Transport Association of America; Rep. Patricia Schroeder, D-Colo., whose husband, James, is a lawyer registered as a lobbyist for a foreign government; Rep. Tom Carr, D-Mich., whose estranged wife, Susan, lobbies for the National League of Savings Institutions; Rep. Norman Lent, R-N.Y., whose wife, Barbara Morris Lent, is vice president of the governmental affairs office at NYNEX Corp.; Rep. Paul Kostmayer, D-Pa., whose wife, Pamela, runs her own public relations business.

James Schroeder is a partner in the firm of Kaplan, Russin and Vecchi, whose foreign clients include the American Chamber of Commerce in the Dominican Republic and Tadiran Israel Electronics Industries Ltd., a Tel Aviv based company that manufactures military electronics.

Patricia Schroeder is on the House Armed Services Committee but Schroeder said he has never lobbied that panel. He and his firm, however, tried unsuccessfully several years ago to win a Defense Department contract for Tadiran, according to Justice Department records.

Dorgan said that since his marriage he has scrupulously avoided giving the appearance of a conflict. He pointed out that he voted last May in favor of a trade bill that contained provisions opposed by his wife's client.

Nonetheless, his wife's career has become an issue in Dorgan's re-election campaign. Syver Vinge, his Republican opponent, has

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called her job a "clear potential conflict of interest."

The House ethics law says that lawmakers are required to vote on matters unless they have "a direct personal or pecuniary interest."

In a book, "Politicians and their Spouses' Careers," author Marc E. Miller wrote: "It is critical for the member and spouse to recognize that a congressional spouse's job choices and conduct are not judged simply by whether specific actions are legally defensible — they are held to a higher standard of whether anyone might even unfairly claim they are ethically suspect."

Several spouses said they avoided work that would put them in contact with their spouses' committees.

Linda Daschle, for example, said her specialty, aviation, does not h upon her husband's work on the Agriculture or Veterans Affairs Committees, and James Schroeder said he has never lobbied anyone on the Armed Services' Committee where his wife has a seat.

Appearance meant so much to Deborah Dingell, wife of Rep. John Dingell, D-Mich., who is chairman of the House Energy and Commerce Committee, that she gave up work as a lobbyist and took an administrative job at the General Motors Corp.'s Washington office when she married.

In 1983, Lent, a member of the Energy and Commerce panel, said he would continue voting on laws concerning reorganization of the nation's telephone system as a result of an ethics panel opinion although his wife's employer, the Bell telephone company in New York state and most of New England.

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Vinje keeps blasting Dorgan for wife's lobbying activities

By DAVE KOLPACK
Tribune Staff Writer

Tribune 8-1-84

Syver Vinje played 20 questions again this morning — and indicated that the game may not be over until either Congressman Byron Dorgan or his wife quit their jobs.

Vinje, the Republican candidate for the U.S. House of Representatives, reiterated his call for Dorgan to "tell the whole truth" about the lobbying activities of his wife, Kimberly Sue Olson.

Vinje also said that if elected, he would introduce legislation that would prohibit any family member of a senator or congressman from being a lobbyist.

The immediate solution?

"It's clear that Mrs. Dorgan has to quit being a lobbyist or Mr. Dorgan has to quit being a congressman," Vinje said. "The Dorgans have a conflict of interest that isn't resolved."

Vinje noted it has been more than a month since the disclosure that Mrs. Dorgan is a lobbyist registered as a representative of foreign governments. She has lobbied Congress on behalf of Canadian and other interests.

"Since then, we've also learned from the news media that Mr. Dorgan, a past state Tax Commissioner who's very familiar with government forms, twice forgot to list his wife's source of income on the financial disclosure form that he's required to file each year," Vinje said, reading a prepared statement.

"Isn't it strange that anything we've found out so far has come from the news media investigation, and not from Congressman Dorgan?"

Vinje, however, has only been asking questions and has not investigated the matter himself. He said he doesn't "have the paid staff to do that sort of thing."

Meanwhile, Vinje repeated some of the questions he asked from a July 18 press conference:

- How much money has been paid to the Dorgans, directly or indirectly, by special interests seeking to influence Congress?
- What other foreign and special interests has Mrs. Dorgan lobbied for?
- Where is the copy of the House Ethics Committee opinion on his wife's activities?

Dorgan, when contacted in Washington, said Vinje's campaign is "stuck in reverse" and he asked the Republican candidate to discuss issues such as collapsing wheat prices and unemployment.

"This is becoming a broken record," Dorgan said. "Apparently he believes he is running against my wife. I'm the member of Congress.

"At some point if you stoop too often, you get bad posture and you can't stand up. I'm hoping that one of these days he will stand up and face the real issues of the campaign."

Vinje said he'll do that when this matter is resolved.

"If Congressman Dorgan answers all the questions . . it wouldn't be an issue," Vinje said.

Said Dorgan, "I'll be glad to have him over for coffee and answer all his questions."

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Tribune 8-1-84

House bill funds N.D. services

By The Associated Press

Train and commuter airline services in North Dakota escaped Reagan administration cuts in a bill passed by the U.S. House, said Rep. Byron Dorgan, D-N.D.

The transportation funding bill, which the House sent to the Senate Wednesday night, saved Amtrak and its Empire Builder passenger route that serves North Dakota, Dorgan said.

The Empire Builder stops twice a day in Fargo, Grand Forks, Devils Lake, Minot, Rugby, Stanley, and Williston. Amtrak says the route adds an estimated $4 million to the state's economy every year, Dorgan said.

In addition, the bill provides money for a program that aids commuter airlines, which serve hundreds of towns across the country, including Williston, Jamestown and Devils Lake, he said.

The Reagan administration recommended cuts that would have eliminated North Dakota's Amtrak and commuter airline services, Dorgan said.

Dorgan doubts continue

Bis Trib 7/31/86

LETTERS

I noticed that the July 20 Sunday Tribune carried an editor's column critical of the way in which I referred to Byron Dorgan's wife.

It's strange, because The Bismarck Tribune had referred to her in the same manner just three weeks before in its lead article on the front page of the June 29 Sunday Tribune.

I'm sure that the editor of The Tribune doesn't mean to apply a double standard, as one might believe from reading that article and his column.

Unfortunately, the column tends to obscure the real issue, the previously undisclosed fact that our congressman's wife is a foreign agent who lobbies for the Canadians and other interests.

Byron Dorgan still has not provided an explanation and full disclosure of his wife's lobbying activities. More questions remain unanswered than have been answered.

Mr. Dorgan claims that it is common for congressional spouses to be lobbyists. If this is true, just who are they? If there are any, just how many are foreign agents? What other lobbyists have sought to influence their spouse's committees?

How much money has been paid to the Dorgans, directly or indirectly, by special interests seeking to influence Congress? What other foreign and special interests has Mrs. Dorgan lobbied for? How have Congressman Dorgan and his associates in Congress voted on those issues?

Mr. Dorgan claims that the House Ethics Committee issued an opinion on his wife's activities. Where is the copy of the written request and the written opinion?

The people of North Dakota are entitled to have all the questions answered and to know the whole truth about our only member of the U.S. House of Representatives.

Syver Vinje
Candidate for
Congress
Bismarck

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☐ Investigators

(Continued from Page A1)

to David Thompson, the station's news director.

"He asked for a couple of things," Thompson said of his conversation with Houfek. "One was a letter that state Tourism Director Jim Foglie had written to radio stations regarding weather coverage and the other was to see if I could provide him with the copy of a tape of a Kent Conrad news conference."

Thompson, who turned down the request, said Houfek told him he was working for an investigative firm. He did not identify it or say why he wanted the material, Thompson said.

Butcher acknowledged that Houfek and Schmidt are associated with his firm.

Dorgan and Conrad said they did not know specifically who provided the money used to hire the detectives. Both said they did not know whether any use has been made of the information the detectives gathered.

"I think it's the ugliest kind of politics I've seen in 15 years of public life," Dorgan said. "I intend to get to the bottom of this and see who is responsible."

"I was told ... that the broad charge was to find something on Dorgan and Conrad," Conrad said. "I have been told they ran an investigation and were not able to find anything on me and have run into a stone wall."

Dorgan said he believed he was the target of an effort to spread unflattering information about him, including revelations about his wife, Kimberly, and her work as a lobbyist for the Canadian timber industry.

Envelopes containing copies of government documents were mailed anonymously to newspapers to call their attention to Kimberly Dorgan's activities.

Dorgan later admitted that he failed to mention his wife's employer on his 1985 financial disclosure form, which he filed last May. He said the omission was a mistake.

Copies of newspaper clippings in the anonymous envelopes bear the mark of a clipping service in Grand Forks, and alongside that is the number 66, Dorgan said. That is the account number for the North Dakota Republican Party, he said.

Freborg said it was possible the clippings came from the party's files, which are open to anyone who is a Republican. He did not know who made copies of those clippings, he said.

Those clippings could have changed hands a number of times after leaving the office and their appearance in the anonymous envelopes is not proof that the party was involved, Freborg said.

Dorgan and Conrad keep tabs on their opponents and say the nature of politics requires it.

For example, politicians and political parties routinely examine each other's financial disclosure statements, campaign finance reports, government expense vouchers and other official documents.

On July 11, Carol Jean Larsen, press secretary to the Conrad campaign, attended a news conference called by a polling firm that has been working for Andrews and the National Republican Senatorial Committee.

Larsen asked no questions but did take notes during the news conference in Bismarck, which was held by Decision Making Information.

She also brought along copies of a statement issued by Conrad, who said later that was her reason for being there.

"Sure, you always are aware of what your opponent is saying," Dorgan said. "There's a line you don't cross. You don't hire private eyes.

"That's the most outrageous, disgusting behavior I've heard of."

Freborg said there are ways of gathering information short of using private detectives.

"I would not operate that way; I do not condone it," he said. "I speak for the North Dakota Republican Party, but I cannot speak for every living Republican."

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Detectives investigating Democratic candidates

By RICHARD L. VERNACI
Associated Press Writer

BISMARCK (AP) — Investigators from a private detective agency have been gathering information on two Democratic congressional candidates, who say the action is politically motivated.

State Tax Commissioner Kent Conrad, the Democratic-NPL Party's candidate for the U.S. Senate, and Rep. Byron Dorgan, D-N.D., say they have been aware for several weeks that agents of W.T. Butcher & Associates Ltd. have been investigating them.

"I have heard from a half a dozen sources over the months that Mr. Butcher or employees of his firm have been snooping around about Kent and myself," Dorgan said. "Its entire connection is to the political campaign. I'm certain of that."

However, William T. Butcher, the founder of the agency, refused to confirm or deny that his company had been hired to gather information on Dorgan and Conrad.

"I work for clients, usually law firms, and I am not at liberty to divulge who my clients are or who the subjects of an investigation are," Butcher said. "I can say this, however, that I have not and I do not conduct investigations for political parties or for candidates."

Although he would decline to gather information for politicians or parties, Butcher said he would investigate the background of a political candidate if hired by a law firm to do so.

State Republican Chairman Layton Freborg, Sen. Mark Andrews, R-N.D., and GOP House candidate Syver Vinje all said they were not aware of an investigation of the Democrats by private detectives. All of them said they did not know who was responsible.

"I can assure you that it is not the North Dakota Republican Party," Freborg said.

Conrad is running against Andrews, and Vinje is opposing Dorgan's re-election bid.

Meanwhile, witnesses and documents show that investigators from Butcher's agency have been gathering information on Dorgan and Conrad.

Cletus Schmidt, an investigator who joined the firm in 1985, copied part of the file on Dorgan's divorce from his second wife, Judy, according to records at the South Central District Court Clerk's office.

Marian Barbie, the court clerk, said she remembered getting the file for Schmidt on March 20 because she had to go to the basement of the courthouse to find it.

Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

In late May or early June, Dan Houtek, an investigator who joined the Butcher agency in March, tried without success to obtain tape recordings of a Conrad news conference from KCND Radio, according to David Thompson, the station's news director.

"He asked for a couple of things," Thompson said of his conversation with Houtek. "One was a letter that state Tourism Director Jim Fuglie had written to radio stations regarding weather coverage and the other was to see if I could provide him with the copy of a tape of a Kent Conrad news conference."

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Page 2

Lawyer denies effort to influence election

CONTINUED FROM PAGE 1A

Agent Registration Unit.

The press clippings have been traced to North Dakota Republican headquarters, but no one seems to know how Rand obtained those copies.

Today was the first time anyone associated with Rand has stepped forward to offer an explanation of who was behind the mailing those packages.

Rand has been unavailable for comment since it was discovered that he hired Marion Harrison, another D.C. attorney, to investigate Dorgan. Harrison, according to a Washington, D.C., weekly The Legal Times, is the founder of a group supporting presidential candidate Pat Robertson.

Harrison was forced to resign from a prominent Washington, D.C., law firm after it was learned that he hired private detectives to look into Dorgan's past.

But Schraub said Rand didn't know about the private detectives until he received a report from W.T. Butcher and Associates of Bismarck in June. He acknowleged that Rand repaid Harrison the $2,200 paid to Butcher. "You're not going to leave him" with the bill, Schraub said. "But $2,000 is no big sum of money. And when he got the Butcher report what did he do with it? Nothing. If someone wanted to do all this to Byron Dorgan he would have released the Butcher report. Byron Dorgan per se was not the issue here."

According to Schraub, the package Rand sent to the newspapers did not contain any of Butcher's report.

Schraub was hired by Rand last week after Dorgan and Senate candidate Kent Conrad said they planned to ask the Federal Election Commission to investigate.

The Democrats have yet to file that complaint and were unavailable for comment this morning.

And although a Butcher agent did make inquiries into at least one Conrad press conference, Schraub said Rand could care less about the tax commissioner's background. "There ought to be a law against riding on the side of a car, which is all he's doing," Schraub said. "I don't even know his name."

He said only public documents were gathered on Dorgan. "If we wanted to influence an election, believe me we could do it," Schraub said.

He also charged that Dorgan has tried to work the entire affair to his advantage. "I don't blame Byron Dorgan for anything he's doing, he's a politician," Schraub said. "But the man is dodging the hard questions."

Schraub claimed Dorgan has yet to produce proof that he checked with the House Ethics Committee about his wife's role as a lobbyist.

Aug 19 FGO

Rand's attorney says Dorgan probe was for personal reasons

By Patrick Springer
STAFF WRITER

A longtime friend of Sen. Mark Andrews, R-N.D., undertook an investigation into the background of Rep. Byron Dorgan, D-N.D., for personal reasons, the man's lawyer says.

J. Jonathan Schraub, a lawyer for Washington attorney Bert Rand, said Monday that Rand took it upon himself to launch an inquiry into Dorgan's marriage to Kimberly Sue Olson, who lobbies for the Canadian timber industry.

"There is somebody lobbying for a foreign government here," Schraub said. "That is what kicked Mr. Rand off."

Schraub said Rand, a social friend of Andrews for 25 years, has had "a generalized interest of long standing in the timber industry" in the Pacific Northwest, according to Schraub.

Andrews and, through his lawyer, Rand, have said Andrews had no knowledge or participation in the investigation. Andrews' press aide called reporters Monday to let them know that Schraub, who was difficult to reach last week, was available Monday.

Since being named two weeks ago as a central player in the inquiry, Rand has not responded to numerous requests for an interview. Schraub said Rand is out of the country, and will be for several weeks. Here, according to Schraub, is Rand's involvement.

While on the West Coast, Rand came across an item in a forestry newsletter mentioning that Olson was named as a lobbyist for the Canadian timber industry. Rand learned somehow that the woman was married to a U.S. congressman.

It was important to verify that Olson and Dorgan were married, and therefore Rand or his associates checked into the marriage license. A packet of materials — including newspaper clippings, a copy of the marriage license and Olson's registration as a foreign lobbyist — was sent this summer to several North Dakota newspapers.

Rand contacted another Washington lawyer, Marion Harrison, to ask for help. Harrison hired W.T. Butcher and Associates, a Bismarck private detective firm. The Butcher agency apparently conducted a background check on Dorgan.

Rand learned a private investigator had been hired when he got the report from Butcher, and paid about $2,000 for it, but shelved the report because it was irrelevent to the conflict of interest issue.

"This is the most self restrained crucifixion in history, if that's what it is," Schraub said. Dorgan has denounced the investigation as campaign dirty tricks and a smear campaign against him.

"Mr. Dorgan is creating enormous political smoke out of this thing," Schraub said.

He said Dorgan has no grounds to file an election complaint. "If it is filed it'll be for political reasons," Schraub said.

Andrews and Rand's son, John, have said Rand is not involved in politics. Asked whether Rand had taken it upon himself to explore a lobbyist's background before, Schraub said: "I don't think he's ever had occasion to before. How many times does something like this come up?"

Dorgan says talk of investigation obscured issues

Bismarck, N.D. (AP)

Rep. Byron Dorgan, D-N.D., said discussion of private detectives hired to investigate his personal life has obscured other campaign issues but added that he would continue to pursue the matter quietly.

"I'd very much like the issue to be over," Dorgan said Monday at a news conference. "I think it would be unfortunate for North Dakota if this issue eclipses the important discussions that ought to be conducted between candidates for public office."

Dorgan, who is seeking his fourth term in the House, has complained repeatedly about the attention that has been focused on his wife, Kimberly, in the wake of distribution of anonymous packages containing documents relating to her work as a lobbyist for the Canadian timber industry.

However, he said Monday he did not know if the disclosures have caused him any political damage.

"I don't have the foggiest idea what the results of all these discussions are," he said.

Republican House candidate Sywer Vinje has said Kimberly Dorgan's work as a lobbyist represents a potential conflict of interest and called on her or the congressman to resign.

"Anyone can charge a conflict of interest," Dorgan told reporters. "I could charge people here with a conflict of interest and then you'd spend your time defending yourself."

Dorgan has been threatening for more than a week to file a complaint with the Federal Election Commission and said Monday that the papers still were being drawn up.

Detective agency is in eye of storm



William Butcher owns the Bismarck detective agency that investigated Rep. Byron Dorgan.

By Sarah Smith
Herald Staff Writer

BISMARCK — William Butcher, owner of the Bismarck detective agency that probed into U.S. Rep. Byron Dorgan's personal life, says his firm is not an arm of the North Dakota Republican party.

"I'm a Republican," Butcher said, acknowledging that his investigation into Dorgan's life has put both him and his firm in the spotlight.

"Controversy is inherent in this business. Anything we're involved in is controversial — it involves conflict between two people," he said.

Butcher's "professional investigative work" and staff have come under fire in light of the Dorgan probe.

Sen. Mark Andrews, R-N.D., called the investigation "a third-rate thing," but Bill Butcher bristles at the suggestion that his firm was inept in the matter.

"We haven't done anything wrong," he said. His client had legitimate concerns about Dorgan's wife's alleged conflict of interest, he said. Those concerns prompted his client — who had agricultural interests — to hire Butcher for the probe, Butcher said.

Other than that, Butcher declines to discuss his modus operandi. He said he's listed in the Martindale-Hubbell Law Directory. And he acknowledges that he has worked for other Washington, D.C., law firms.

"I assume that's how Mr. (Marion) Harrison got a hold of me," he said. A Washington attorney, Harrison has acknowledged working as a middleman between the detective agency and Washington attorney Bert Rand, a close friend of Andrews.

Dorgan speculates that Butcher tried to investigate his personal life to smear him before the election. But Butcher's firm, other than requesting divorce papers from Dorgan's second wife, didn't try to personally contact either of Dorgan's ex-wives, leaving many people speculating as to what the agency was after.

"If Bill wants to get involved in doing backgrounds for political clients, that's entirely up to him," said Richard "Tom" Picken, a Dickinson contractor and former FBI agent. "You can do it or refuse. If you refuse, you won't get referred much work."

Butcher concedes that much of the material he compiles could be used for political ends, but he denies taking political clients.

"I've never taken a political client — party or candidate," Butcher insists. "We do a lot of work for Democrats, too. If I limited myself to working for (only Republican clients, "I'd be very foolish.

■ Detective: See back page.

Questions remain in Dorgan probe

By James McGregor
and Reed Karaim
Herald Washington Bureau

WASHINGTON — In the early summer of 1985, Sen. Mark Andrews, R-N.D., received some troublesome news from a voters' survey conducted by his pollster.

One of the most extensive surveys ever conducted in North Dakota showed that many voters viewed Andrews, then 59, as an older man who wasn't very active in congressional affairs.

The most disturbing news, however, concerned Rep. Byron Dorgan, D-N.D., Andrews' longtime political nemesis who then was expected to challenge Andrews for his Senate seat this year.

A source with connections to the Andrews campaign revealed the existence of the poll last week. The source said that the survey results were a tightly held secret by the Andrews staff and national GOP political strategists until the campaign got under way.

Essentially, the survey, conducted by President Reagan's pollster Richard Wirthlin, showed that Dorgan could handily beat Andrews even if Andrews used extensive television advertising to rebuild his image.

The survey showed Dorgan to be extremely popular among all types of voters, even a healthy percentage of Republicans, who perceived Dorgan as being honest, bright and hard-working.

The poll showed him to be actually unbeatable, said the source. "The great worry was how in the world do you lay a hand on this guy? The feeling was if you did all positive stuff on Andrews, it wasn't good enough. You have to get some negatives on Dorgan".

The poll showed that Dorgan had one weakness. His two divorces and subsequent third marriage, which occured that April, didn't sit well with some of North Dakota's family-oriented voters.

■ Questions: See back page.

(2)

Detective

Continued from Page 1A

"Any work I do could be used for political purposes," he said. "We'll investigate anybody."

Butcher, who heads the largest detective agency in the state, says he would be happy if the publicity would shake loose some prospective clients, but so far "it's been business as usual." Butcher agency branch offices are in Fargo, Minot, Dickinson and Williston.

With 17 contracted agents throughout the state — all listed in the licensing division of the North Dakota Attorney General's office, he says W T Butcher and Associates soon will expand into Montana, Minnesota and South Dakota.

A former FBI agent, the gregarious Butcher is married to Dina Butcher, the state's deputy agriculture commissioner and herself a Republican Party activist. He's an avid sailor, cross-country skier, canoer, geneologist and music enthusiast. In fact, Butcher has served on national symphony boards.

But Butcher says he has done only minor party work, putting up signs for candidates and contends he'd never run for office.

"I don't have the ego to run for office," he said.

In 1980, Butcher and Agriculture Commissioner Kent Jones — then a Republican state representative — sponsored a flotilla called the Missouri River Renaissance expedition that sailed down the Missouri River. The expedition was launched to publicize a $490,000 state legislative study to investigate renewed barge traffic on the river. The study hauled North Dakota commodities in their flotilla.

> "We don't go out and solve a case like Tom Selleck."
>
> **William Butcher**
> **private investigator**

Butcher's career with the FBI gave him the expertise and impetus to become self-employed, he says. He was an agent in the Minot office for 10 years, leaving in November 1980.

"I left for three reasons," he said. "They were going to transfer me to New York City, because I wanted to be my own boss, and because I wanted to make more money."

But some of Butcher's former colleagues recall otherwise. They said he left when he was the target of an investigation to determine whether he tried to change a District Court trial date that coincided with his planned vacation.

"You just don't do that," one agent said. Some agents were sympathetic, saying that what Butcher did wasn't necessarily wrong, but agency inflexibility prevented his superiors from looking the other way.

Butcher said he was offered the transfer, not because of any wrongdoing, but because the FBI regularly shuffles its people around. "The question is, why was I able to stay there for that number of years?" he asked.

"I considered him a good examiner," said U.S. District Judge Bruce Van Sickle. "This is an interesting thing he's involved in."

Butcher has been variously described by some of his present and former colleagues as pompous, egotistical and self-serving.

"I'm sorry to hear that," Butcher countered. "I don't think of myself as that. I feel badly that I'm described that way."

To his credit, Butcher's paperwork at the bureau was superb, according to several former colleagues.

Butcher's name regularly appeared in local newspapers, including the Minot Daily News, for his participation in civic and recreational projects.

Asked if his high visibility profile grated on the FBI's policy of shying away from publicity, Butcher said: "That's a very good question. But I don't think so. In North Dakota we don't have informants — just concerned citizens. My philosophy was not to be clandestine, but very open in where we are."

Butcher said he left behind a lot of friends at the bureau, but he doesn't miss the bureaucracy.

"I much prefer being an entrepreneur to working in a bureaucracy," he said. He calls his contracted agents entrepreneurs.

A Butcher agency brochure lists legal, financial, public and government investigative services. In addition, the agency provides security, video documentation, process service and court reporting services.

Butcher says he's diversified to fill needs, although he maintains that 80 percent of his business comes from attorneys.

"Our primary job is doing professional investigative work — for law firms, some government contracts, insurance companies, some for general public," he said. "You see a niche, and you fill it."

The detectives fill a void for attorneys, he said, doing the necessary legwork before litigation. "We're very trained and experienced in investigations, and they're not," he said.

"We investigate all field and industrial accidents for Workman's Comp and do work for Farmer's Home Administration," he added.

Representatives of those agencies declined to talk to the Herald about Butcher's work, nor would they acknowledge that he or his investigators performed services for them.

Records at the Office of Management and Budget indicate that Butcher's firm has been paid $9,480.32 by the state Supreme Court for transcribing services.

In addition, the state Highway Department has paid him $79.50 for unspecified services, the state Agriculture Department has paid him $25 for training materials and the state Department of Health and Human Services has paid him $200 for training materials. There was no listing from Workman's Compensation.

In addition to Butcher's high political profile, entrepreneurs also have gained some notoriety.

Norm Evans, a Butcher agent, is the director of the North Dakota Law Enforcement Academy. And questions have been asked about his work's potential for conflict of interest.

"There is nothing to prevent us from hiring law enforcement people as accident scene reconstructionists," Butcher said. "Not as investigators. We can't have members actively involved in law enforcement doing investigations. We didn't do this sneakily or surreptitiously."

But state Attorney General Nicholas Spaeth maintains any contracting a current officer does could be construed as a conflict. "There's not much room in there for maneuvering," he said.

Butcher himself serves on the state board that oversees private investigators. Some members have objected, but Butcher insists that there's nothing wrong with his board membership.

"He's very candid and a credit to the profession," said Ralph Wood of Grand Forks. Wood chairs the state board. "He is a fine, upstanding individual."

Two of Butcher's Fargo agents found themselves in the political spotlight during the 1984 election campaign.

C. Daniel Smith, a former state drug agent, secretly tape-recorded Spaeth's press conferences during his campaign for attorney general. Smith's partner in the taping project was fellow drug agent Kim Murphy, a former Grand Forks police officer.

After Spaeth won the election, both men left the drug unit.

Despite that, Butcher denies that his firm is anything but professional. He says the public image of private eyes contrasts sharply with what his agency does.

"We don't go out and solve a case like Tom Selleck," he said. "We go out and find the good news and the bad news. . . The whole basis for this business is its objectivity. We really don't render opinions or draw conclusions."

He said the firm is low-key, low profile.

However, one of his agents, Dean Bice, lists skills on his resume that involve counterterrorism [illegible]. His resume also says that while in the U.S. Special Forces, he was trained to "conduct armed assaults, ambushes, assassinations," in addition to hostage rescues and hostage negotiations.

It's nothing like the goddamn movies," said Pichan.

Butcher says he doesn't regard himself as a glamorous gumshoe. But a Christmas card he sent years ago pictures him striking a Sherlock Holmes pose with a pipe raised to his lips and his foot up on a chair.

"I'm fairly aggressive," Butcher said when asked to describe himself. "I like what I do. I'll never retire.

"What am I most adept at?" he asked. "Singing the 'Duke of Earl.' Seriously, I'm good at investigating. That's why we call it Butcher and Associates."

Questions

Continued from Page 1A

Rand fails to solve riddle of 'Dorgan file'

Tribune 8-15-86

Front Page

By GERRY GILMOUR
Tribune Staff Writer

The key attorney behind the investigation of North Dakota Rep. Byron Dorgan has now hired his own attorney.

And today Dorgan and Senate candidate Kent Conrad directed their attorney — Robert Dietz of Washington, D.C. — to proceed with a federal inquiry into the activities of Bert Rand and others involved in gathering documents and hiring private eyes to check the candidates' backgrounds.

Conrad said Dietz will file a complaint next week with the Federal Election Commission. Dorgan has scheduled a press conference for Monday in Bismarck.

Rand's attorney, J. Jonathan Schraub of Washington, sent a hand-delivered letter late Thursday to Dietz that says Rand was never paid to investigate either candidate.

The letter does little to shed light on what interest Rand — a close friend of Sen. Mark Andrews — might have in Dorgan or Conrad.

All those inquiries amounted to, according to the letter, was a Feb. 25 visit by Rand's partner, Fritz Giesecke, to the Foreign Agent Registration Section of the U.S. Department of Justice. A Tribune investigation earlier revealed that Giesecke had checked out files on APCO and Associates. Dorgan's wife, Kimberly Sue Olson, worked as a lobbyist for that firm on behalf of Canadian timber interests fighting a trade proposal before House Ways and Means Committee, of which Dorgan is a member.

The letter makes no mention of the involvement of Peter Lind, a Bellevue, Wash., attorney who obtained the Dorgans' wedding license Oct. 11 from the Department of Social and Health Services in Olympia. Lind, a friend of Rand, said he can't remember what lawyer or law firm in Portland, Ore., hired him to get the license.

Those documents were contained in a package mailed in June to The Tribune from Seattle, Wash.

Schraub also said Andrews had no knowlege of Rand's activities. "Mr. Rand has informed us that his only relationship with Mr. Andrews is social and that Mr. An-

(More on LETTER, page 10A)

Letter called 'baloney;' Dorgan to file complaint

CONTINUED FROM PAGE 1A

drews was not involved in any way, shape or form in the inquiry into possible conflict of interest."

Rand's son, John, worked for Andrews for three years on the Senate Budget Committee.

Andrews, along with Dorgan and Conrad, also received a copy of the letter from Rand and made it available to the press.

"I knew from the beginning that I didn't have anything to do with it," Andrews said in an interview with The Associated Press.

The question of funding for "the inquiry," mentioned in the letter, is contradicted by earlier statements made by Marion Harrison, who was forced out of a prominent Washington, D.C., law firm after it was learned he hired a Bismarck detective agency to investigate Dorgan.

In the letter, Schraub wrote: "In March, Mr. Rand or his associate requested another attorney, Mr. Harrison, to cause additional inquiries to be made. Mr. Harrison apparently employed an investigator named Mr. Butcher. Neither Mr. Rand nor his associate was aware of any investigation by Butcher, until a report was sent to them by Harrison, probably in June."

The letter also said Butcher's report was "irrelevant ... and scrapped. Neither Mr. Rand nor his associate, nor to his knowlege, Mr. Harrison, was ever retained or compensated in connection with these matters."

Yet Harrison has claimed from the beginning that he was hir[illegible] Rand. And in an interview last week with the National Law Journal he said he paid $2,200 to W.T. Butcher and Associates of Bismarck and was reimbursed by Rand.

Schraub also said Conrad was not a subject of Rand's investigation, although a detective working for Butcher contacted a Bismarck radio station and requested the tape recording of a Conrad news conference.

"What leaps out at you from the facts on the record here is that the letter is a fairy tale," Conrad said this morning. "I think these guys are digging themselves a deeper and deeper hole."

Dorgan, who disputed Rand's claim that no money had changed hands, said his FEC complaint would name anyone who had spent money in connection with the investigation.

"They seem to claim that this investigation and smear campaign was some sort of immaculate conception, that it developed without clients, without anybody responsible," Dorgan told The Associated Press. "Clearly, money has been expended to influence a federal campaign and it has not been reported," Dorgan said. "Federal election laws require its disclosure."

Harrison also said Giesecke mailed the package.

Giesecke and Rand have refused repeated phone calls from The Tribune, and Rand's secretary said he will be going on a month-long vacation beginning next week.

Rand has cancelled two scheduled meetings with Dorgan.

Dorgan calls lawyer's response 'baffling tribute to baloney'

BISMARCK, N.D. (AP) — A Washington lawyer who investigated Rep. Byron Dorgan, D-N.D., responded to questions about the inquiry, but the congressman said he will file a Federal Election Commission complaint within days.

The response "was a baffling tribute to baloney," Dorgan said in a telephone interview Thursday night. "There's nothing there."

Dorgan received a letter Thursday from an attorney for the lawyer, Bert Rand, that said he started the investigation because of a possible conflict of interest involving Dorgan and his wife.

The letter did not explain why Rand was interested in the issue but said Sen. Mark Andrews, R-N.D., a friend of Rand, was not involved with the investigation.

Dorgan and Tax Commissioner Kent Conrad, the Democratic Senate candidate, had threatened to file the FEC complaint if Rand did not tell them who paid for the investigation.



Dorgan

"Mr. Rand and an associate made informal inquiries into a possible conflict of interest involving Mr. and Mrs. Dorgan, a matter which might concern the U.S. timber industry," wrote Rand's attorney, J. Jonathan Schraub.

Dorgan's wife, Kimberly Sue Olson, is registered as a foreign agent. She has lobbied for the Canadian timber industry. Dorgan has denied they have a conflict of interest.

Neither Rand nor his associate, who was not identified, was ever paid in connection with the investigation, Schraub said.

"Mr. Rand has informed us that his only relationship with Mr. Andrews is social and that Mr. Andrews was not involved in any way, shape or form in the inquiry into possible conflict of interest," Schraub wrote.

"I knew from the beginning that I didn't have anything to do with it," Andrews said in a telephone interview Thursday night. Andrews' office released a copy of the letter.

Andrews said he did not know

See DORGAN — Page A10

☐ Dorgan

(Continued from Page A1)

who had asked Rand to conduct the investigation.

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Schraub also did not say why a packet of documents concerning Dorgan's background had been mailed to the media.

Some newspapers received packets in late June and early July that contained the Dorgans' marriage license and documents concerning her lobbying activities.

Rand was not home Thursday night and could not be reached for comment, his wife said.

Rand obtained information about Dorgan's wife from the foreign registration files of the Department of Justice in February, Schraub said. The documents mailed to the media were obtained by Rand's law partner, Fritz Giesecke.

Later, Rand asked another Washington lawyer, Marion E. Harrison, to "cause additional inquiries to be made," Schraub said.

Harrison has said he hired a Bismarck detective firm, W.T. Butcher and Associates, to investigate Dorgan. Harrison was forced out of his law firm after his partners learned of the investigation.

Butcher's report "was irrelevant to the possible conflict of interest issue and was shelved," Schraub said. "Neither Mr. Rand nor his associate, nor to his knowledge, Mr. Harrison, was ever retained or compensated in connection with these matters."

Schraub said Conrad was not a subject of Rand's investigation, although a detective working for Butcher contacted a Bismarck radio station and requested the tape recording of a Conrad news conference.

Andrews said he contacted Rand at home Thursday morning to find out whether he was going to respond to the questions from Dorgan and Conrad and received the letter from Schraub later in the day.

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Dorgan calls lawyer's response 'baloney'

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"I knew from the beginning that I didn't have anything to do with it," Andrews said in a telephone interview Thursday night. Andrews' office released a copy of the letter.

Andrews said he did not know who had asked Rand to conduct the investigation.

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Rand was not home Thursday night and could not be reached for comment, his wife said.

Rand obtained information about Mrs. Dorgan from the foreign registration files of the Department of Justice in February, Schraub said. The documents mailed to the media were obtained by Rand's law partner, Frida Ginocchio.

Later, Rand asked another Washington lawyer, Marion E. Harrison, to "cause additional inquiries to be made," Schraub said.

Harrison has said he hired a Bismarck detective firm, W.T. Butcher and Associates, to investigate Dorgan. Harrison was forced out of his law firm after his partners learned of the investigation.

Butcher's report "was irrelevant to the possible conflict of interest issue and was shelved," Schraub said. "Neither Mr. Rand nor his associate, nor to his knowledge, Mr. Harrison, was ever retained or compensated in connection with these matters."

Schraub said Conrad was not a subject of Rand's investigation, although a detective working for Butcher contacted a Bismarck radio station and requested the tape recording of a Conrad news conference.

Andrews said he contacted Rand at home Thursday morning to find out whether he was going to respond to the questions from Dorgan and Conrad and received the letter from Schraub later in the day.

office for office.

"I didn't [illegible] to run for office," he said.

In [illegible] Butcher and Agriculture Commissioner Kent Jones — then a Republican state representative — sponsored a flotilla called the Missouri River Renaissance expedition that sailed down the Missouri River. The expedition was launched to publicize a $490,000 [illegible] legislative study to [illegible] renewed barge traffic on the river. They hauled North Dakota

saying that what Butcher did wasn't necessarily wrong, but agency [illegible] responsibility prevented his superiors [illegible] the other way.

Butcher said he [illegible] the transfer, not because of any [illegible] ing, but because [illegible] regularly about [illegible] people around. "The question is, why was I able to stay there for that number of years?" he asked.

"I considered him a good examiner," said U.S. District Judge Bruce Van Sickle. "This is an interesting

"That's a very good question. But I don't think so. In North Dakota we don't have informants — just concerned citizens. [illegible] but very open in [illegible] we are."

[illegible] left behind a lot of friends at the [illegible] doesn't miss the bureaucracy.

"I much prefer being an entrepreneur to working in a bureaucracy," he said. He calls his contracted agents entrepreneurs.

Records at the Offi[illegible]ment and Budget indic[illegible] pa[illegible] the state Supreme C[illegible] scribing services.

In addition, the stat[illegible] partment has paid hir[illegible] specified service[illegible] Agriculture Departme[illegible] [illegible] mat[illegible] state Department [illegible] man Services has pai[illegible] training materials. Th[illegible]

(3)

Questions Continued from Page 1A

About a year after this poll was conducted, several newspapers in North Dakota and Washington, D.C., received an anonymous packet of information. The package included a cover letter that implied that Dorgan and his wife ("his third, following two divorces") were hiding a political scandal.

The letter pointed out that Dorgan's wife, Kimberly Sue Olson, 27, had registered as a lobbyist for the Canadian timber industry under her maiden name. This was followed by references to "Dorgan's secrecy regarding his marriage to Olson" and his membership on the Ways and Means Committee, which handles trade issues.

In the past two weeks, the investigation that brought about the anonymous mailing has been traced to one of Andrews' closest friends, Washington attorney Bert Rand — who spent time in Europe with Andrews shortly after the senator examined the results of the disheartening private poll.

Thus far it has been learned that:

- An associate in Rand's law firm obtained copies of Olson's lobbyist registration from the Justice Department.
- An attorney friend of Rand in Washington state obtained a copy of Dorgan's and Olson's marriage license.
- A third attorney, Marion Edwyn Harrison, was asked by Rand to hire North Dakota private detectives, who researched Dorgan's divorces and interviewed people about his private life.

The factors pointing to Andrews as the initiator of the investigation are many, but circumstantial. Both former and current aides say that Andrews is paranoid about Dorgan's popularity and well-known desire to become a senator. A good friend of Andrews initiated the investigation. The anonymous mailing was aimed at Dorgan's political Achilles heel.

And even though Dorgan withdrew from the Senate race three months before private detectives began to investigate his life, sources close to Andrews say that the prevailing sentiment in his office was that Dorgan's announcement was a ruse.

These sources said that Andrews and his top aides believed that Dorgan was likely to be drafted for the Senate race at the state Democratic convention in April, a month after the detectives started their probe.

But Andrews points out several logical arguments against his involvement, not the least of which is that nothing was discovered in the investigation that Andrews didn't already know.

"Let's be candid about it," Andrews said in an interview last week. "I know more about Dorgan, and Dorgan knows more about me, than either one of us really wants to know."

Andrews asserts that even if he wanted to investigate Dorgan, he would use his political network in North Dakota, not hire Washington attorneys and private detectives.

"How would Rand be better able to make an inquiry than I would?" Andrews said. "I know lawyers all over that state. I have campaign chairmen in each county. I have friends at the courthouses throughout that state. Why would I need some attorney from Washington to make the inquiries that I could make better and quieter by myself?"

Finally, Andrews said, he is too smart to get involved in what now appears to be an amateurish probe.

"I have been accused of being a lot of things, being tough, as you say, being irascible and all of those — nobody has ever accused me of being stupid," Andrews said. "But this is the most patently stupid thing that you could imagine."

Rand, who could solve this puzzle — and get Andrews off the hook — has remained unavailable to both Dorgan and reporters. Rand gave his views this week through yet another attorney, J. Jonathan Schraub, who sent a terse letter to Dorgan and Andrews.

In the letter, Rand acknowledges making informal inquiries involving Dorgan and his wife. He says that he was never retained or compensated in connection with these matters, and that Andrews was not involved in any way, shape or form.

The letter doesn't mention the anonymous mailings, but does say that the Dorgan probe "might concern the U.S. timber industry."

Little has come to light about Rand's law practice. But Andrews and others have suggested that Rand has a long association with the timber industry.

At the time of the probe, Congress was drafting several bills to restrict Canadian lumber imports. Dorgan's wife, Olson, was lobbying against the restrictions. When the matter came to a vote in May this year, Dorgan voted for the restrictions.

After reading the Rand letter suggesting timber industry involvement, Dorgan said he believes that it fails to explain the anonymous mailings to North Dakota newspapers.

Whoever initiated the probe, it appears that it eventually turned into a clumsy comedy of errors. Reporters first learned about it after at least one of the investigators was overheard boasting about it in a bar. A news clip in the mailings carried a coding that made it traceable to the state Republican Party headquarters.

And the one potentially embarrassing piece of information about Dorgan wasn't found by the investigators. After the anonymous mailings reached newspapers, an Associated Press reporter in Washington discovered that Dorgan had failed to list his wife's job on his financial disclosure forms, as required by House ethics rules.

As the week ended, Dorgan met with his attorneys to work out the details of a Federal Election Commission complaint that he plans to file this week alleging that the mailings violated election laws.

Bert Rand, who has successfully avoided the press for two weeks, was said by his lawyer to be heading to Europe for vacation.

And Andrews, saying that he was tired of "twisting in the wind" because Rand refuses to give a complete explanation, was headed back to North Dakota for Congress' summer recess.

During almost non-stop campaign appearances across the state, Andrews said that he hopes to convince voters that he has been unfairly convicted by the press of guilt by association.

"It's a great little setup, and if I can figure my way out I'd love to," Andrews said. "But so far I haven't been very fortunate in doing it."

THE MINOT DAILY NEWS

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Andrews irritated by no-shows on Indian panel

By STEVE TETREAULT
Daily News Washington Bureau

WASHINGTON — An angry Sen. Mark Andrews, R-N.D., threatened on Thursday to disband the Senate Indian Affairs Committee if senators don't start showing more interest in the panel.

Andrews, the committee chairman, erupted after he arrived at the Capitol for a 10 a.m. meeting to mark up several pieces of Indian legislation, and found himself the only one of nine panel members to have shown up.

Among the absentees was fellow North Dakotan, Democrat Quentin Burdick.

On the agenda were several bills Andrews wanted to work on, including a controversial one dealing with gaming operations on Indian reservations.

But after sitting alone among committee staff, lobbyists and several reporters for about 10 minutes, the North Dakota Republican lost his patience and began fuming over his absent colleagues and their staffs.

Speaking to the audience, he didn't single out anyone for criticism, but expressed general frustration over the committee's inability to get its work done. He said he would head an effort to dissolve the panel if the problem continued.

"This is the second time that has happened," Andrews steamed. "This meeting was set and reset. Either you have a functioning committee or you don't.

"We've not been able to function," he said. "We've been late, we've not shown up.

"We can disband, and under Gramm-Rudman (the deficit reduction act), we can do it in 30 days," he said. "You know the votes are there on the Senate floor to close it down."

Andrews also chewed out the committee staff for not producing their bosses. "There's no sense in maintaining staff if there are no members," he said.

Two senators, Frank Murkowski, R-Alaska, and Slade Gorton, R-Wash., eventually showed after 30 minutes, but Andrews still lacked a quorum and called off the session after 45 minutes. Andrews said Gorton and Sen. Barry Goldwater, R-Ariz., at least let him know in advance they would have an attendance problem.

Burdick spokeswoman Laurie Boeder said the senator didn't attend because he was meeting with constituents and was being prepared by his staff for a meeting of the Senate Appropriations Committee later in the day.

"You know what the Senate schedule is like these days," Boeder said.

The Senate, rushing to complete work in time for its summer recess starting this weekend, has been putting in 12-14 hours days all week, a strain that may have contributed to Andrews' irritation.

At the meeting, Andrews said the

See ANDREWS Page A10



Andrews

FEC investigation could take several months

MINOT 8/16/86

By STEVE ADAMS
Daily News Washington Bureau

WASHINGTON — The Federal Election Commission complaint planned by Rep. Byron Dorgan, D-N.D., and state Tax Commissioner Kent Conrad is not likely to provide many answers before the Nov. 4 election.

The secrecy imposed on FEC investigations and the months that such probes often require make it quite unlikely that answers will come anytime soon from the commission, according to agency officials.

Dorgan said he has decided to file, and will do so "within days," a complaint alleging that someone violated campaign finance laws by failing to report money spent on a private investigation. The probe of Dorgan apparently focused on the congressman's marriage and the lobbying activities of his wife.

A commission decision not to investigate the complaint could come within a month. But a full probe that might supply the information Dorgan says he is after could easily take several months, officials say.

Dorgan said Friday morning that he was unconcerned about when the FEC completes its work. "That's irrelevent to me," he said.

The congressman said he still expects Conrad to join him in filing the FEC complaint. An private investigator reportedly sought a tape of a Conrad press conference, but Conrad is not known to have been as much a target of the private investigation as Dorgan.

Bert Rand, a Washington attorney, has admitted he and an associate made "informal inquiries" into possible conflict of interest involving Dorgan and his wife. But he denies any investigation of Conrad, who is running against Sen. Mark Andrews, R-N.D.

Andrews has described Rand as a personal friend, but denies any knowledge of the investigation Rand apparently conducted of Dorgan.

After an FEC complaint is filed, it can take as long as three weeks to obtain a response from the person named in the complaint. In Dorgan's complaint, that is likely to be Rand and perhaps his associates.

The commission will then meet to decide whether there is reason to believe a violation of election law occurred. The FEC would presumably have to determine whether the private investigation was politically motivated, since Dorgan's complaint will be based on laws that require disclosure of expenses related to elections.

If the FEC determines there is no

See PROBE — Page A8

See cont story

Probe

(Continued from Page A1)

evidence of a violation, the case would be closed and the complaint, response and FEC action would be made public within 30 days.

"It's usually done very quickly," FEC spokesman Karen Finucan said. "If we find no 'reason to believe,' it can be done in a month."

But if the commission finds a violation might have occurred, the FEC general counsel would undertake an investigation. After receiving the counsel's findings, the FEC could determine that election law had been violated and order a conciliation process that could last months.

The FEC would not make any information public until the entire probe is completed.

"Until the whole thing is closed out, you can't even find out the status of the complaint," said Finucan.

Dorgan and Conrad would also be barred from discussing the complaint publicly, and could not even distribute copies of the complaint itself after it has been filed.

The only person that could legally discuss the FEC's progress, said Finucan, is the respondent. Rand has thus far refused to speak publicly on the controversy.

Dorgan said Friday that he had no plans to make the complaint public before it was filed. But he also said he may consider doing so, since he hadn't known that election law prohibited release of the document after it was filed with the FEC.

Penalties for releasing information about an active FEC investigation are as high as $5,000, said Finucan.

The FEC has no power to impose fines if it determines there has been a violation of election law. It normally launches a conciliation process in which the FEC, the person filing the complaint and the respondent attempt to reach agreement on a penalty.

If conciliation is refused or fails, the FEC can go to federal court to seek penalties. It is those cases that can drag on for a year or more, Finucan said.

Andrews

(Continued from Page A1)

senators' failure to attend showed inconsideration for Indians and others interested in the legislation, some of whom came from out of town.

"It's appalling. I've never seen this in 14 years of congressional experience," Andrews said.

Andrews rescheduled the meeting for when Congress returns in September, and issued a warning as well.

"This is no threat, just a statement of fact. If members show a similar lack of interest, I will be very prompt" in dissolving the committee, he said. The Select Committee on Indian Affairs was formed in 1977. Prior to that, Indian issues were handled by what is today the Energy and Natural Resources Committee.

The Indian Affairs panel originally was formed specifically to deal with a federal Indian policy report, and was designed to go out of business after two years. The Senate, however, continued to reauthorize the committee, and finally made it permanent in 1984.

Some senators opposed that move, however, arguing there were already too many committee bureaucracies in Congress, and complaining that the Indian panel would infringe on the jurisdiction of other committees.

"We've had close fights" to retain the committee, Andrews said. "But the members are rapidly convincing me we ought to forget it."

Afterward, Andrews said the Senate ought to retain the committee because it has a specialized staff that performs most of the technical work in Congress on complex tribal issues.

But he said committee attendance "has been a continuing problem."

Dorgan to file complaint

8/13

By Patrick Springer
and Sid Spaeth
STAFF WRITERS

Rep. Byron Dorgan, D-N.D., says an election complaint is being drawn up against a Washington lawyer who prompted an investigation into the congressman's private life.

Dorgan's disclosure late Thursday that a complaint is being drafted against attorney Bert Rand came after Dorgan received a letter — which he denounced as a smokescreen and said contained untruths — from Rand's lawyer.

Dorgan said a complaint would be filed soon with the Federal Election Commission.

The letter, written on Rand's behalf by a Washington lawyer named J. Jonathan Schraub, said Rand "made informal inquiries" into a possible conflict of interest involving Dorgan and his wife, Kimberly Sue Olson, who has lobbied for the Canadian timber industry.

Dorgan has been calling for an accounting of who was behind an investigation into his background since news reports appeared earlier this month indicating that private detectives had inspected court records involving his two divorces.

Earlier this summer, newspapers received anonymous packages in the mail — subsequently linked to Rand associates — containing documents pointing to Dorgan's marriage to a foreign lobbyist. Dorgan has denied there is any conflict of interest and said the letter's reference to a possible conflict "doesn't mean anything."

Schraub's letter said Dorgan's marriage "might concern the U.S. timber industry" but did not reveal who asked Rand, a longtime friend of Sen. Mark Andrews, R-N.D., to initiate the investigation.

"Mr. Rand has informed us that his only relationship with Mr. Andrews is social, and that Mr. Andrews was not involved in any way, shape or form in the inquiry into possible conflict of interes[t], Schraub's letter said.

Andrews has emphatically denied any knowledge of or participation in the investigation.

"The letter clearly is a subterfuge and a smokescreen," Dorgan said.

A letter sent last week by a lawyer representing Dorgan [and] Conrad, North Dakota tax commis[sioner]

□Dorgan
Back page, Column 3

Republicans worried, frustrated by Dorgan investigation reports

8/14

BISMARCK, N.D. (AP) — North Dakota Republican leaders say they are worried a private investigator's check into the background of Rep. Byron Dorgan, D-N.D., will damage GOP chances in this fall's election.

Washington lawyer Bert Rand organized and financed the investigation of Dorgan.

Rand is a close friend of North Dakota Sen. Mark Andrews, and the Republican senator has denied any involvement or knowledge of the investigation.

But as long as the client that Rand says asked for the investigation remains anonymous, some North Dakota voters will assume the client was Andrews or someone close to him, said John VonRueden, GOP national committeeman.

There are people who have made that association, regardless of what happens," said VonRueden, who lives in Bismarck.

Sen. John Olson, R-Bismarck, said, "You're always worried and affect the polls."

North Dakota voters will tolerate some inquiry into the private lives of politicians, but not if it crosses a certain line, Olson said.

"If it's presented as a smear, North Dakota voters don't approve of that kind of thing," he said.

Andrews faces a re-election challenge this fall from Democratic Tax Commissioner Kent Conrad, who says he also was a target of the investigation.

VonRueden and other GOP leaders said they are frustrated that most of the attention has focused on how the investigation occurred, rather than on what was uncovered about Dorgan.

"I think at first, because of the absolute, biased, monstrous coverage the story got there was somewhat of a feeling among Republicans that there was some damage" to GOP chances this fall, VonRueden said.

But he said some of that worry has citizens come to realize that Dorgan has tried to swing attention toward the investigation and away from his background.

"Sometimes I think they're making an awful lot of ado about nothing," said Layton Freborg, state Republican chairman. "The issue is the background of Byron Dorgan."

VonRueden said voters should ask why Dorgan was so secretive about his third wife, Kimberly Olson, and why he did not report her employment as a lobbyist on congressional disclosure forms.

"Dorgan pulled a fast one, he got caught, that's why he is fighting so vigorously," he said.

Public Service Commissioner Leo Reinbold said he would like the question of who hired Rand cleared up.

"I would hope the cloud is lifted, and lifted totally and completely," Reinbold said.

□Dorgan

Continued from Page A1

sioner and Andrews' Democratic challenger, said a complaint would be filed with the Federal Election Commission unless Rand disclosed details about who hired him to initiate investigations about them, and why.

A private detective from W.T. Butcher and Associates of Bismarck also asked for a tape recording of a Conrad press conference.

The firm has denied it was investigating Conrad, and Schraub's letter said that neither Rand nor his associate was interested in or initiated any inquiries about Conrad.

The letter said neither Rand nor his unnamed associate had been hired and neither had received any compensation in connection with the investigation.

"Mr. Rand's letter is untruthful on its face," Dorgan said of the letter written by Schraub. "He hired a private investigator ... and participated in dirty tricks and a smear campaign and he's not saying why."

As an example of the letter's "untruthfulness", Dorgan referred to news reports quoting another Washington lawyer, Marion Harrison, as saying he was asked by Rand to hire the private detectives and saying payments of $2,200 had been made to the detective firm.

Schraub's letter said that, to Rand's knowledge, Harrison hadn't been paid. Schraub said Rand did not know Butcher had been hired until he got a report from the firm. The report was irrelevant to any possible conflict of interest and was shelved, Schraub said.

Andrews, whose office released a copy of the letter, said he is frustrated by news reports implying he was involved in the investigation.

Andrews said he welcomed an FEC probe, saying, "There is nobody in North Dakota that would rather get this all laid [out] more than I would, more [so] than Byron."

Andrews said he talked to Rand early Thursday morning. He said Rand told him he had dropped plans of meeting with Dorgan and would have his lawyer handle the matter since Dorgan had brought in a lawyer.

Andrews said he did not question Rand about who asked him to initiate the investigation. He said he regarded it as an improper question, citing the attorney-client privilege.

Andrews said his two telephone conversations with Rand since the controversy surfaced have been rushed, but said he would try to contact Rand again.

Andrews said he will ask Rand to disclose his client in the hope of putting the matter to rest.

ND Republican leaders worried, frustrated 8/14 VC

BISMARCK, N.D. (AP) — North Dakota Republican leaders say they are worried a private investigator's check into the background of Rep. Byron Dorgan, D-N.D., will damage GOP chances in this fall's election.

Washington lawyer Bert Rand organized the investigation of Dorgan.

Rand is a close friend of North Dakota Sen. Mark Andrews, the Republican senator has denied any involvement or knowledge of the investigation.

But as long as the client that Rand says asked for the investigation remains anonymous, some North Dakota voters will assume the client was Andrews or someone close to him, said John VonRueden, GOP national committeeman.

"There are people who have made that association, regardless of what happens," said VonRueden, who lives in Bismarck.

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Andrews faces a re-election challenge this fall from Democratic Tax Commissioner Kent Conrad, who says he also was a target of the investigation.

VonRueden and other GOP leaders said they are frustrated that most of the attention has focused on how the investigation occurred, rather than on what was uncovered about Dorgan.

"I think at first, because of the absolute, biased, monstrous coverage the story got, there was somewhat of a feeling among Republicans that there was some damage" to GOP chances this fall, VonRueden said.

But he said some of that worry has passed and will continue to pass as citizens come to realize that Dorgan has tried to swing attention toward the investigation and away from his background.

"Sometimes I think they're making an awful lot of ado about nothing," said Layton Freberg, state Republican chairman. "The issue is the background of Byron Dorgan."

VonRueden said voters should ask why Dorgan was so secretive about his third wife, Kimberly Olson, and why he did not report her employment as a lobbyist on congressional disclosure forms.

"Dorgan pulled a fast one, he got caught; that's why he is fighting so vigorously," he said.

Dorgan has said his failure to include wife's employment on the disclosure form was a mistake.

Another Republican, Public Service Commissioner Leo Reinbold, said he would like the question of who hired Rand cleared up.

"I would hope the cloud is lifted, and lifted totally and completely," Reinbold said.

Dorgan and Conrad have threatened to file a complaint with the Federal Election Commission if Rand does not disclose the name of his client.

Rand was expected to meet with Dorgan later this week, according to a statement the two Democrats issued Wednesday.

Dorgan to file complaint

Aug 15 GF

By James McGregor
Herald Washington Bureau

WASHINGTON — Rep. Byron Dorgan of North Dakota said Thursday that he will file a complaint with the Federal Election Commission alleging that campaign finance laws were violated by the Washington lawyers who launched an investigation of him.

Dorgan said he decided to file the complaint after receiving a letter Thursday in which Washington attorney Bert Rand, a close friend of Sen. Mark Andrews of North Dakota, acknowledges launching the probe but doesn't say why he did so.

"The letter is clearly a subterfuge and a smokescreen," Dorgan said. "Certain activities have taken place here that are not in compliance with federal law."

Dorgan said he has hired a lawyer to draw up the FEC complaint and expects to file it next week.

The possible grounds on which the complaint could be filed could involve either a law against corporations making expenditures in political campaigns or individuals making expenditures on behalf of a candidate without reporting them to the FEC.

The letter was written by J. Jonathan Schraub, an attorney who indicates that he has been retained by Rand to handle the matter. The two-page letter alleges that Rand instigated the investigation on his own and that "Andrews was not involved in

■ Dorgan: See back page

Dorgan Continued from Page 1A

any way, shape or form ..."

The letter states that neither Rand nor the other attorneys involved in the investigation were "ever retained or compensated in connection with these matters."

Marion Edwyn Harrison, one of the attorneys involved, said earlier that he had paid $2,200 to a private detective agency and that Rand had reimbursed him.

Dorgan said the letter portrays the investigation as having "an immaculate conception."

"This letter could have been written in a sentence: 'We don't intend to tell you anything truthful,'" Dorgan said. "There are some people really scurrying around here. They've had a week, and they've apparently come up with nothing plausible."

Rand remained unavailable for comment Thursday, as he has been since his role in the investigation became public last week. A secretary at Rand's law firm said Rand is leaving on vacation.

Andrews, who has repeatedly denied any involvement in or knowledge of the investigation, said [illegible] drafted by an attorney [illegible] Dorgan had earlier sent Rand a list questions through an attorney.

Andrews said he asked Rand to t[illegible] to the media to clear up suspicio[illegible] that Andrews was involved. Andrew[illegible] said Rand told him he did [illegible] do that because the media would [illegible] the hole deeper."

Andrews said he was glad the let[illegible] answered the major questions th[illegible] have caused him some political ha[illegible] "It clearly says I had nothing to wi[illegible] it," he said.

Andrews said that Rand's firm h[illegible] worked for the timber industry f[illegible] many years, and he assumes th[illegible] Rand made the inquiry on behalf [illegible] the timber industry.

The letter gives no explicit reason for Rand's launching the probe. It states that Rand and an associate investigated "a possible conflict of interest" involving Dorgan's wife's job as a lobbyist for the Canadian timber industry.

ANDREWS

Continued from page 1

Dorgan, who disputed Rand's claim that no money had changed hands, said his FEC complaint would name anyone who had spent money in connection with the investigation.

"They seem to claim that this investigation and smear campaign was some sort of immaculate conception, that it developed without clients, without anybody responsible," Dorgan said.

"Clearly, money has been expended to influence a federal campaign and it has not been reported," Dorgan said. "Federal election laws require its disclosure."

Schraub also did not say why a packet of documents concerning Dorgan's background had been mailed to the media.

Some newspapers received packets in late June and early July that contained the Dorgans' marriage license and documents concerning her lobbying activities.

Rand was not home Thursday night and could not be reached for comment, his wife said.

Rand obtained information about Mrs. Dorgan from the foreign registration files of the Department of Justice in February, Schraub said. The documents mailed to the media were obtained by Rand's law partner, Fritz Giesecke.

Later, Rand asked another Washington lawyer, Marion E. Harrison, to "cause additional inquiries to be made," Schraub said.

Harrison has said he hired a Bismarck detective firm, W.T. Butcher and Associates, to investigate Dorgan. Harrison was forced out of his law firm after his partners learned of the investigation.

Butcher's report "was irrelevant to the possible conflict of interest issue and was shelved," Schraub said. "Neither Mr. Rand nor his associate, nor to his knowledge, Mr. Harrison, was ever retained or compensated, in connection with these matters."

Schraub said Conrad was not a subject of Rand's investigation, although a detective working for Butcher contacted a Bismarck radio station and requested the tape recording of a Conrad news conference.

Andrews said he contacted Rand at home Thursday morning to find out whether he was going to respond to the questions from Dorgan and Conrad and received the letter from Schraub later in the day.

and ALTERNATORS

Sen. Andrews not involved with Dorgan investigation

BISMARCK (AP) — A Washington lawyer who investigated Rep. Byron Dorgan, D-N.D., responded to questions about the inquiry, but the congressman said he will file a Federal Election Commission complaint within days.

The response "was a baffling tribute to baloney," Dorgan said in a telephone intereview Thursday night. "There's nothing there."

Dorgan received a letter Thursday from an attorney for the lawyer, Bart Rand, that said he started the investigation because of a possible conflict of interest involving Dorgan and his wife.

The letter did not explain why Rand was interested in the issue but said Sen. Mark Andrews R-N.D., a friend of Rand, was not involved with the investigation.

Dorgan and Tax Commissioner Kent Conrad, the Democratic Senate candidate, made informal inquiries into a possible conflict of interest involving Mr. and Mrs. Dorgan, a matter which might concern the U.S. timber industry," wrote Rand's attorney, J. Jonathan Schraub.

Dorgan's wife, Kimberly Sue Olson, is a registered foreign agent who has lobbied for the Canadian timber industry. Dorgan has denied they have a conflict of interest.

Neither Rand nor his associate who was not identified, was ever paid in connection with the investigation, Schraub said.

"Mr. Rand has informed us that his only relationship with Mr. Andrews is social and that Mr. Andrews was not involved in any way, shape or form in the inquiry into possible conflict of interest," Schraub wrote.

"I knew from the beginning that I didn't have anything to do with it," Andrews said in a telephone interview Thursday night. Andrews' office released a copy of the letter.

Andrews said he did not know who had asked Rand to conduct the investigation.

See ANDREWS on page 2

Sun - 8-15-86

Dorgan hopes to meet attorney

By James McGregor
Herald Washington Bureau

WASHINGTON — Rep. Byron Dorgan of North Dakota said Wednesday he expects to meet with the man reportedly responsible for an investigation of the congressman's private life.

But Dorgan said he doesn't know when, where or under what circumstances he will be able to meet with Washington attorney Bert Rand.

Rand, a friend of Sen. Mark Andrews of North Dakota, has been unavailable for comment since his role became public. Andrews, who denied any involvement in the matter, said Rand told him he did it for a business client.

Dorgan said he got a telephone call Tuesday from Fritz Giesecke, an associate in Rand's law firm who participated in the investigation.

"He said that he expected Rand would be meeting with me and that he had nothing to say beyond that," Dorgan said. "I expect it will be tomorrow, but I don't know where."

Rand abruptly canceled an Aug. 4 meeting with Dorgan. It had been arranged two days earlier when Dorgan learned of Rand's involvement. At that time, Rand set up a tentative meeting for this week. Dorgan said he heard nothing more until Giesecke called.

Dorgan and State Tax Commissioner Kent Conrad, who is running

Probe worries N.D. Republicans

Bismarck, N.D. (AP)

North Dakota Republican leaders say they are worried a private investigator's check into the background of Rep. Byron Dorgan, D-N.D., will damage GOP chances in this fall's election.

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Rand is a close friend of North Dakota Sen. Mark Andrews. The Republican senator has denied any involvement or knowledge of the investigation.

But as long as the client that Rand says asked for the investigation remains anonymous, some North Dakota voters will assume the client was Andrews or someone close to him, said John VonRueden, GOP national committeeman.

"There are people who have made that association, regardless of what happens," said VonRueden, who lives in Bismarck.

Sen. John Olson, R-Bismarck, said, "You're always worried and concerned about how these matters affect the polls."

North Dakota voters will tolerate some inquiry into the private lives of politicians, but not if it crosses a certain line, Olson said.

"If it's presented as a smear, North Dakota voters don't approve of that kind of thing," he said.

Andrews faces a re-election challenge this fall from Democratic Tax Commissioner Kent Conrad, who says he also was a target of the investigation.

VonRueden and other GOP leaders said they are frustrated that most of the attention has focused on how the investigation occurred, rather than on what was uncovered about Dorgan.

"I think at first, because of the absolute, biased, monstrous coverage the story got, there was somewhat of a feeling among Republicans that there was some damage" to GOP chances this fall, VonRueden said.

But he said some of that worry has passed and will continue to pass as citizens come to realize that Dorgan has tried to swing attention toward the investigation and away from his background.

"Sometimes I think they're making an awful lot of ado about nothing," said Layton Freborg, state Republican chairman. "The issue is the background of Byron Dorgan."

VonRueden said voters should ask why Dorgan was so secretive about his third wife, Kimberly Olson, and why he did not report her employment as a lobbyist on congressional disclosure forms.

"Dorgan pulled a fast one, he got caught, that's why he is fighting so vigorously," he said.

Dorgan has said his failure to include his wife's employment on the disclosure form was a mistake.

Another Republican, Public Service Commissioner Leo Reinbold, said he would like the question of who hired Rand cleared up.

"I would hope the cloud is lifted, and lifted totally and completely," Reinbold said.

Dorgan and Conrad have threatened to file a complaint with the Federal Election Commission if Rand does not disclose the name of his client.

Rand was expected to meet with Dorgan later this week, according to a statement the two Democrats issued Wednesday.

Grand Forks Herald/Thursday, August 14, 1986 9A

Dorgan Continued from Page 1A

cause of the possibility that Rand may reveal who financed the probe and thereby put the issue to rest.

"I want to know on whose behalf he was acting and who paid him," Dorgan said. "But I don't know what to expect if Mr. Rand comes forth."

Neither Rand nor Giesecke returned telephone calls Wednesday.

would urge Rand to meet with reporters. But a spokesman for Andrews said that the senator has not talked to Rand since then.

The investigation of Dorgan was launched last year when it appeared that Dorgan was going to run against Andrews. It involved the hiring of private detectives and attorneys

Dorgan, Conrad delay filing election complaint

Rep. Byron Dorgan, D-N.D., and Kent Conrad, state tax commissioner, have delayed filing an election complaint because the lawyer who ordered background investigations on them reportedly has agreed to a meeting.

Dorgan talked Tuesday night with Fritz Giesecke, an associate of Washington lawyer Bert Rand, and was given assurances that Rand would meet with Dorgan later this week.

Rand, a longtime friend of Sen. Mark Andrews, R-N.D., used another Washington lawyer as a go-between to hire private detectives to investigate Dorgan's private life. Investigators for the Bismarck firm also tried to get a tape recording of a press conference given by Conrad, who is trying to unseat

Dorgan and Conrad have pressed to find out who hired Rand. They have called the investigation an example of campaign dirty tricks. Andrews acknowledged last week that Rand is a close friend of his, but denied any knowledge of or involvement in the investigation.

The two Democratic candidates had threatened to file a complaint with the Federal Election Commission or a civil lawsuit in an effort to find out who hired Rand.

Dorgan and Conrad had said they would take action against Rand unless he responded "truthfully and candidly" by Tuesday to written questions.

According to a statement issued Wednesday by Dorgan and Conrad, Giesecke said he expected Rand to explain who is responsible for the

JAMESTOWN 8/4/88

Dorgan flap worries Republicans

BISMARCK (AP) — North Dakota Republican leaders say they are worried a private investigator's check into the background of Rep. Byron Dorgan, D-N.D., will damage GOP chances in this fall's election.

Washington lawyer Bert Rand organized and financed the investigation of Dorgan.

Rand is a close friend of North Dakota Sen. Mark Andrews. The Republican senator has denied any involvement or knowledge of the investigation.

But as long as the client that Rand says asked for the investigation remains anonymous, some North Dakota voters will assume the client was Andrews or someone close to him, said John VonRueden, GOP national committeeman.

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See REPUBLICANS on page 2

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Continued from page 1

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Involved or not, Andrews may be bruised

FGO 8/13



RANDY
BRADBURY
POLITICAL WRITER

Bismarck, N.D.

Now that the weeks of rumors and off the record tips have broken loose, and much of the story of a private investigation of Rep. Byron Dorgan has been printed, the question remains: Who will profit politically?

To answer that question, at least two things must be considered. First, what did the investigation really mean, and, second, what will voters think it meant?

Investigations by one candidate of another are not new, and in fact are a healthy part of the political process.

The whole idea of elective politics is that elections will keep politicians honest. If they aren't, an opponent can be expected to make the most of it.

As recently as 1984, investigations played a central role in the outcome of a North Dakota election.

Democratic candidates for governor and attorney general had operatives poring through government records looking for evidence either of misdoings or of questionable policies.

Disclosures based at least in part on those investigations helped George Sinner overcome Allen Olson for the governor's chair, and Nicholas Spaeth defeat Robert Wefald for attorney general.

In politics, knowledge is power. No politician can afford to be in the dark about the opponent. That's why political gossip is of such intense interest to them, and why it flies around political circles so fast.

And the gossip isn't limited to the kinds of issues that could be fodder for public debate. Like all rumor, political gossip takes special delight in any hint of juicy details of private lives. Like other rumors, they are unreliable and probably most often untrue.

But they're repeated, sometimes out of pure prurience, sometimes with conscious intent to discredit the opposition.

In this case, an investigation was conducted, but it was not directed at issues of public policy. Instead, it was directed primarily at the private matters of Byron Dorgan's and, perhaps, Tax Commissioner Kent Conrad's, personal lives.

The implication is that someone was attempting to verify rumors or uncover new ones. It's a safe bet they weren't looking for complimentary episodes.

Already, part of the results of the investigation have been used in an attempt to discredit Dorgan, by disclosing that his wife worked as a lobbyist for foreign interests.

Dorgan's Republican opponent, Syver Vinje, has used that information to attack Dorgan.

By personally pursuing it and assuring that the story of the investigation came out, Dorgan may have effectively blunted future open use of any other information that may have been gathered.

Any open use would constitute political campaigning, and would be subject either to disclosure or to investigation. Such an investigation would be likely to weigh politically in Dorgan's favor.

So it seems to amount to a clumsy and probably largely unsuccessful attempt to dig up some dirt on Dorgan. At best, it was the effort of a few isolated Republicans. At worst, it was an orchestrated action of Sen. Mark Andrews' re-election campaign.

If that distinction becomes clear, it will be easier to judge the winners and losers.

If not, it will be up to voters to decide whether they object to such tactics, and who, if anyone, they decide to hold accountable.

At present, it looks as though Andrews' opponent, Conrad, could be a winner and certainly can't lose from the whole affair. Dorgan comes out about neutral, while Andrews stands to lose, and certainly seems to have little to win at this point.

It all depends on what the various candidates do with the issue, and that in turn depends on how they think voters perceive it.

If they decide, as seems likely, that the issue is of small concern to the average person, little more will be heard.

But it has become another of the wild card issues that could make a difference in this fall's U.S. Senate election.

Enough of those, and the campaign could heat up into a classic political struggle.

PAC spending limits would affect state's delegation

BISMARCK (AP) — Members of North Dakota's congressional delegation rely heavily on political action committee contributions, which would be limited under legislation Congress is considering.

Sen. Mark Andrews, R-N.D., and Rep. Byron Dorgan, D-N.D., who face re-election this year, already have exceeded the limit in PAC contributions that the measure would set.

The Senate gave preliminary approval to the bill by a 69-30 vote Tuesday. Andrews and Sen. Quentin Burdick, D-N.D., both voted in favor of the measure, which was sponsored by Sen. David Boren, D-Okla.

"I think it's a logical next step in election law reform," said Andrews.

Dorgan is a co-sponsor of a similar measure in the House.

The plan generally would limit House candidates to $100,000 in PAC money per election cycle. Senate candidates would face a general limit of from $175,000 to $750,000, depending on a state's population. The limit for North Dakota would be $175,000.

The measure also would cut the maximum amount a PAC could give a candidate from $5,000 to $3,000, while raising the amount an individual could contribute from $1,000 to $1,500.

Over the past 2½ years, PACs gave Andrews $676,270, or 54 percent of his total contributions, according to the senator's campaign finance reports.

PACs gave Dorgan $187,094, about 80 percent of his total contributions, for the 1986 election.

Burdick received $118,850, or 74 percent of his total contributions, from PACs since 1983.

Democratic Senate candidate Kent Conrad received [illegible] 44 percent of his money, from PACs. Republican House candidate Syver Vinje has reported no PAC contributions.

Dorgan and Burdick said the restrictions on PAC contributions should be coupled with limits on spending.

"We don't have a level playing field by any stretch of the imagination," said Burdick. "There's no curb on individual spending."

"This is only part of a two-step process," said Dorgan. "To do one without the other is not very effective."

Established 1884

Complaint not yet filed with FEC on probes

By STEVE ADAMS
Daily News Washington Bureau

WASHINGTON — Rep. Byron Dorgan, D-N.D., and state Tax Commissioner Kent Conrad have decided to hold off on filing a complaint with the Federal Elections Commission until the end of this week, a Dorgan aide said this morning.

Last week the two demanded information by Tuesday on who paid to have attorneys and a private detective collect public records about their marriages and divorces. Washington attorney Bert Rand has reportedly admitted orchestrating the probe for a client.

Rand is a personal friend of Sen. Mark Andrews, R-N.D., and North Dakota Democratic leaders have contended the investigation of Dorgan and Conrad was politically motivated. Conrad is running against Andrews, who is seeking his second term. Dorgan was thought to be Andrews' likely opponent, but declined to run.

Andrews says he knew nothing of the probe and would have gained nothing by ordering such an investigation.

Last Friday, Conrad and Dorgan demanded information from Rand about who hired him to arrange the investigation and how the information was used. The men set a Tuesday deadline for a response, and hinted they might proceed with an FEC complaint if the answers weren't received by then.

But Dorgan spokesman Pat Carri-

See RAND — Page A8

MINOT 8/13/86

986, Minot (N.D.) Daily News A-9
8/13/86

☐ Rand

(Continued from Page A1)

seo said this morning the two Democrats had decided to wait until the end of this week before deciding whether to file the complaint. Dorgan says Rand promised him information about who paid for the investigation by the end of this week.

Rand has not talked with reporters since his name surfaced in the Dorgan probe. Dorgan said today that Rand's law partner, Frits Gieseche, told him Tuesday night that Rand would meet with Dorgan.

The FEC complaint would allege that whoever financed the investigation violated election finance laws by failing to report election-related expenditures. Dorgan has said the chief aim of the complaint would be to determine who paid for the probe.

What people say about the Dorgan investigation:

Usual business in Bismarck

By Greg Turosak
Herald Staff Writer

BISMARCK — In a city where many people eat, sleep and drink politics, reaction to the continuing Andrews-Dorgan flap is "politics as usual."

"Damn kids," one jaded Bismarcker groused.

There is a feeling among some people that Republican Sen. Mark Andrews is emerging in worse shape than Democratic Rep. Byron Dorgan, but not enough for Andrews to be in serious danger of losing to Tax Commissioner Kent Conrad.

Dorgan has been stung by revelations that his wife is a lobbyist and that he did not report her employment on his 1985 disclosure form, and by reminders that he has been thrice married.

Andrews, in the meantime, has been burdened with the quagmire of a botched private-eye investigation of Dorgan which Andrews denied instigating or knowing of despite the involvement of one of his closest friends.

No one in an unscientific street sample of about a dozen people in Bismarck said their vote would be affected by the revelations to date in the so-called "Dorgan file" affair.

And, most people didn't believe others would change their votes, either.

"It's probably all just politics," said Gayle Bintliff, in Bismarck from Williston to shop with her husband, Don. Gayle Bintliff runs a lay ministries program, and Don Bintliff is a realtor.

"It's just a game everybody starts playing before the elections, and I have no idea what the truth is in it," Gayle Bintliff said. She added she's more concerned about the issues and hopes that's where the attention will shift in the House and Senate races.

Don Bintliff, who identified himself as an independent who voted for Dorgan last time, said, "I think Andrews' credibility has been hurt to some extent, first with the lawsuit. And this hurts his credibility, too."

Don Bintliff's reference was to Andrews' medical malpractice lawsuit over the health of his wife, Mary.

Deb Walery of Washburn and Bobbi Kramer of Bismarck, both of whom work for a Bismarck travel agency, appeared non-plussed by all the fuss.

"I think it will all blow over," said Kramer. "I think people will consider the source more than anything else."

She said people will weigh the fact that the charges against Andrews are coming from Democrats.

"I think that just because people are digging things up it doesn't mean people are paying attention," Kramer said. "People look more deeply at the person and the issues" before they vote, she added.

Walery said the whole argument "is not going to make a difference to me how I vote because I already know how I'm going to vote."

Walery also said she believes the news media has been unfair to Andrews.

Lee Horton, who runs a snack stand at a Bismarck mall, said, "I think it hurts both sides."

Horton said Andrews looks like he's resorting to "dirty politics," while Dorgan doesn't appear too rosy with constant references to his third wife.

Bob Novak of Bismarck, who works for a company that makes credit-card devices for fuel pumps, seemed to agree with Horton.

"They both come off looking bad," Novak said.

"On the one hand, it comes out that Dorgan's wife is a lobbyist. And then you've got the other side, where one of Andrews' best friends starts an investigation. So, they kind of cancel each other out."

Novak said it wouldn't affect his vote in either race. "Politics is politics, so I don't think it will affect me too much."

Like Gayle Bintliff, Novak said he'd like to see the races get down to the issues.

Several people interviewed said they didn't like politics very much and hadn't bothered to follow much of the arguing that has appeared in the news media.

One of those people was Gene Fleck, a cement contractor from Bismarck.

"I haven't really followed it," Fleck said. "I'm the type who makes up my mind when it's time to vote. I don't follow it that close. But, I don't think it will affect my vote."

■ Bismarck: See Page 38

Grand Forks Herald

Bismarck Continued from Page 1B

Probing the pro

PARK RIVER, N.D. — Thank yo
for your informative article on th
Dorgan probe. The incident raises
question in my mind: Was Dorgan th
first one to have his family life care
fully probed or is this investigativ
process a standard way of doin
things by these people? Are Dorgan'
or Conrad's files just a tip of the ice
berg?

If, indeed, this is just the beginning
the people from this "family-oriente
state" — to borrow Mr.
phrase — would like someone to
come and tell us the truth. Are there
other people — like Sen. Burdick —
who have been successfully probed?

I can see that someone will get
jealous of Dorgan or Conrad. These
boys are out talking to people on
week days and weekends rather than
trying to build their own image by

turnishing somebody else's or sp
ing vast amounts of money on a
rage of empty TV commercials.
K.S. Jo

Distaste and disapproval in Fargo

GF 8/13

By Kevin Wymore
Herald Staff Writer

FARGO — Investigations of Rep Byron Dorgan strikes some shoppers here as unseemly, though those interviewed differed on how the issue would affect Sen. Mark Andrews.

A unscientific sampling of opinion about news of the investigation uncovered a varying degrees of knowledge of the situation.

But several called a foul on whoever may have ordered a check into the North Dakota congressman's personal life.

"I think it's ridiculous," said Gail Williams, a Wahpeton, N.D., woman who was shopping at West Acres Mall in Fargo. "I just don't like that kind of thing.

Williams, who usually votes as a Democrat, said it was silly to probe Dorgan's marriages, especially after so many years in office. She didn't know how Andrews, a Dorgan rival, might come out because of the news, however.

Two non-residents also expressed distaste for what they have heard.

"As far as someone being married three times, I don't know how they can pick on something like that," said Bea Trom of Dilworth.

"I was surprised that there was any investigation. That's a dumb thing to do."

Max Labovitch, of Winnipeg, who was taking a break in a mall commons area, said personal and public behavior should be kept separate. Politicians' marital records don't affect the public at large, he said.

Labovitch said he follows North Dakota politics at times by reading the Grand Forks Herald and the *Forum of Fargo-Moorhead*.

Ginny Watson, an employee of B. Dalton Bookseller in Fargo, noted that nobody is claiming the investigation broke any laws.

Marriage and divorce records compiled for Dorgan are public information, available to any citizen.

And Watson, who calls herself an independent voter, added that allegations that a Washington lawyer, Bert Rand, may have organized the Dorgan probe don't necessarily link Andrews to the matter.

"I think that Andrews is probably going to be re-elected" to the U.S. Senate this fall. Democrat Kent Conrad is running against Andrews.

Nonetheless, Watson said the issue has caught North Dakotans' attention in a way that it may not have elsewhere.

"It's sort of uncommon," she said.

Still loyal in Mapleton

GF 8/13

By Kevin Wymore
Herald Staff Writer

MAPLETON, N.D. — While some people here say investigators should not snoop into the marital records of Rep. Byron Dorgan, others strongly defend the local man in the saga of Sen. Mark Andrews.

The woman interviewed here Tuesday said a person's marital past should be out of bounds for the politically

"I'd be madder than hell if somebody did that to me — but that's politics," said Ann Swanson of Moorhead.

She expressed her views on the matter at the Y'All Come Back Saloon in Mapleton, a Cass County town near where Andrews owns a farm.

A Mapleton resident, Dawn Bruesch, also said the subject of the Dorgan probe should be left alone.

"Whatever they do on their own time is their own damn business," Bruesch said.

Bruesch and Swanson said the development could hurt Andrews' reelection chances if Andrews is proven directly involved with the investigation.

Andrews said denied any knowledge of involvement in checking Dorgan's past, but he has acknowledged that his Washington lawyer-friend, Bert Rand, is involved on behalf of a private client.

Others in Mapleton say the disclosures won't hurt Andrews, especially in this area where he is well known.

One Mapleton man, R.D. Fail, said the public has a right to know what the investigation turned up. Marriage and divorce records are public information.

Sandy Steffes, an Arthur, N.D., woman, stood by Andrews ardently.

"I think he's got more integrity than any politician we've ever had."

Steffes said Andrews has worked hard for North Dakota farmers, and the rest of the state.

"I can't speak highly enough of him," Steffes said. "I'd like to see him run for president of the United States."

For all the attention reporters have spent on the Dorgan investigation and who's involved, bar owner Mona Powell said she's heard little talk about it.

Bruesch said she's especially weary of hearing of so much scandal.

"I'm really tired of hearing all this dirt," Bruesch said.

Watchfulness in GF

GF 8/13

By Liz Feder
Herald Staff Writer

Jon and Cindy Bonzer have raised money for the Republican Party, and the Grand Forks couple is carefully watching how Sen. Mark Andrews handles an unfolding political story that could create problems for him in November.

The Bonzers, who own Bonzers on Fourth bar and restaurant, said they don't believe the news media is out to get Andrews.

Instead, Jon Bonzer said, Andrews "should probably come out and make a public explanation" of the entire investigation.

"It will be very damaging," Jon Bonzer said, adding that the Andrews-Conrad race "is not going to be dull anymore."

When Conrad was endorsed by the Democratic-NPL party, political observers regarded Conrad as a cross between a long shot and sacrificial lamb.

Now, Cindy Bonzer said, "The race will be close."

While a number of people said they were too busy to talk about the Andrews-Dorgan flap Tuesday, The whole matter turns some people off.

Vera Russell, a Thompson, N.D., man described it as a "smear campaign" against Dorgan. Russell works for a soil testing firm and said he doesn't like to see Dorgan attacked because he did a good job as tax commissioner.

One Grand Forks Air Force Base man said Tuesday that he had heard nothing about the Andrews-Dorgan affair and Jerry Braaten of Dakota Books said, "I haven't paid much attention."

"It wasn't in the headlines in Montana," Braaten said, where he ... visited Glacier National Park.

Braaten observed, "You can ... we're starting to get closer to N... vember. It's getting dirty."

Hans and Mildred Wangen, ... were shopping in a Grand Forks ... permarket Tuesday night ... are disturbed by what they've read.

"I think Andrews is guilty. He h... to have something to do with hiri... that lawyer," said Hans Wangen. He... voted for Andrews in the past, b... said it's "very possible" he won't do... again.

"I'm a Democrat," Mildred Wa... gen said, but, "I used to think he (A... drews) was all right."

In reference to Dorgan, Hans Wa... gen said, "There are a lot of ... without digging into ... person... life."

A Grand Forks shopper said sh... voted for Andrews in his last electio... and will support him again. The mi... dle-aged woman, who declined ... give her name, said, the news med... has "blown it out of propo..."

"I don't chose my can... what I read," she said. Referring ... all the publicity, she said, "I'm kind... disgusted with the whole thing."

Don Naismith, a UND departmen... chairman of mechanical engineering, said, "I'm not worried about Andrew... re-election." Naismith, who said h... frequently votes Republican, said th... Andrews-Dorgan skirmish is news ... but it's being overplayed.

Naismith is somewhat dissatisfied about North Dakota politicians because he said Andrews, Dorgan and U.S. Sen. Quentin Burdick aren't doing very well in Washington. "We need the best people we can get, and I don't think we've got them."

Serious in Center

By Sarah Smith
Herald Staff Writer

CENTER, N.D. — Many residents of this small community 40 miles northwest of the state capital hold Rep. Sen. Mark Andrews directly responsible for the probe into Dem. Rep. Byron Dorgan's personal life. Some even say the Republicans are trying to even the score from the last election's seamy overtones.

Center residents say it's dirty politics — but they point out that North Dakota is rife with political scandal — and don't think this latest incident stands out as noteworthy.

"I just think it's dirty politics," said Stan Miller, superintendent of schools in Center. "The Republican party — national or state — thought Dorgan was going to run against Andrews and was going to beat him. He had a very, very excellent chance of beating him, and these smears take the emphasis off the positive."

"People will do anything for a victory," said Phyllis Skager, a clerk with the school district.

"I don't like politics — I think this is just nasty," said Lou Isaak, an staff member with Oliver County Social Services. "I don't see what one can gain by digging up dirt and making accusations."

"I think it's dirty politics," said Delphia Nelson, a secretary. "But North Dakota politics were shot before then — from Bill Langer on. Even back to (Alexander) McKenzie. North Dakota has a history of dirty politics. Look back at the (Robert) McCarney campaign, that was a dirty one. We've always had colorful politicians."

"Maybe the Republicans are getting even with the Democrats," ventured Chris Christianson, a teacher.

He said the Democrats were responsible for revealing that former governor Allen Olson hadn't paid his state taxes and that former Attorney General Robert Wefald had drug agents taping challenger Nicholas Spaeth's press conferences.

■ Center: See Page 3B

Center

Continued from Page 1B

Both those revelations came shortly before the November election in 1984. Both Olson and Wefald, originally predicted as the frontrunners, lost the election.

"Look at every election," Nelson said. "These people aren't doing these things at the beginning of the campaign — just when it gets to the end."

"All you gotta do is get somebody to change their vote," Christianson said.

Christianson said he finds Andrews' contentions that he knew little of the Dorgan probe unbelievable.

"He knows about it," Christianson said. "It's amazing that the lawyer that knows about it — and who's gone now — is Andrews' friend.

"The attempt is more at Conrad. I think Andrews is worried. Andrews has to counter that (medical malpractice) lawsuit in Fargo. It hurt him."

"I think a smart politician knows what his people are doing — it comes from the top," Skager said.

"It's just like Watergate, where people were going around playing dirty tricks," Nelson said. "Nixon knew."

"It's a little farfetched to call it a Watergate-type thing," said Tim Johnson, a county agent for Oliver County.

"Especially when the only thing they came up with was his (Dorgan's) wife, and she wasn't doing anything illegal," said Vonnene Johnson, a social worker for Oliver County.

"I'm just waiting to see if they'll file with the FEC," Johnson said.

But Christianson's colleague, Walter Wolf, said smear tactics are an inevitable part of politics — unfortunate but true.

"Dirty laundry is aired all the time once you're in the public eye," he said. "Whether it's nice or not nice. One should be prepared to have old traffic tickets and old girlfriends dug up — because they will be."

Unruffled in Lakota

By Liz Fedor
Herald Staff Writer

LAKOTA, N.D. — Harvest, weather and grain prices are the prime topics of conversation at the Cargill Elevator and Sonjac Cafe in Lakota, but the Mark Andrews-Byron Dorgan political scrap captures some attention from Nelson County residents.

"As soon as it looks like somebody's going to get beat, they start digging," said Dick Trappen, Cargill assistant manager. He's read news accounts about Andrews admission that his attorney friend, Bert Raad, organized an investigation into Congressman Dorgan's personal life.

Bob Dorgan and Andrews are running for re-election. Republican Andrews is being challenged by Democratic Tax Commissioner Kent Conrad.

Wayne Sherve, who's in charge of fertilizer and agriculture chemical sales at Cargill, said he's not surprised by the political investigation. "It seems to me every politician, when it comes to election time, he starts digging in the other guy's backyard. It's standard politics."

Trappen believes the investigation will hurt Andrews politically and a couple, who asked not to be identified, shares that view.

"Generally, I can't believe that Mark Andrews would get involved in something quite so shoddy," said the man.

His wife said she won't vote for Andrews this fall, but she came to that conclusion before the recent investigation came to light.

The man said he believes Andrews must have had some direct knowledge of the investigation. "In my circles, it's being spoken about quite a lot. Most people are a little bit amazed this kind of thing goes on."

Helen Moen waits tables 40 hours a week at the Sunbac, but she hasn't heard her customers talking about the so-called Dorgangate. "I hear a lot about the farming problems," Moen said, and heavy rains have prompted talk about the weather. "I'm not a politician. I don't read politics," Moen said, but her husband, Hilman, has followed the investigation stories because he's a "Dorgan man."

Lakota farmer Mel Bagne voted for Democrats Dorgan and presidential candidate Walter Mondale in 1984, and he cast his ballot for Andrews the last time he stood for election. He hasn't decided whether to stick with Andrews, but he'd pondered as to why Andrews associates would look into Dorgan's background when Andrews isn't running against Dorgan.

The bad farm economy, the Dorgan investigation, and Andrews' widely publicized malpractice lawsuit could have a cumulative negative affect against Andrews, Bagne said.

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Silent 'Dorgan file' figure to talk soon

Will D.C. attorney name his employer?

By MIKE DORSHER
Tribune Staff Writer

Bert Rand, the alleged "linchpin" attorney in the private eye probe of Rep. Byron Dorgan, has agreed to tell all to Dorgan "later this week," the congressman said today.

As a result, Dorgan and Tax Commissioner Kent Conrad said they will hold off on filing a complaint against Sen. Mark Andrews' campaign with the Federal Elections Commission.

Dorgan received the commitment for a meeting with Rand in a Tuesday evening talk with Fritz Gliesecke, a Washington, D.C., law associate of Rand's.

Gliesecke said he "expected Mr. Rand to meet with Congressman Dorgan later this week to explain who is responsible for the investigation conducted by private investigators," according to a joint statement today by Dorgan and Conrad.

The statement notes Rand earlier told Dorgan by phone that they would meet this week, and Andrews last week said Rand would meet with reporters this week.

"We would urge Mr. Andrews to ask his friend, Mr. Rand, to honor his commitment to tell the complete story," Dorgan and Conrad said in their statement.

Andrews and Rand are long-time friends and Rand's son worked three years for Andrews on the Senate Budget Committee.

In an interview today, Conrad said he would not speculate on Andrews' possible role in the undercover investigation, but he reiterated it's a "remarkable coincidence" that Rand and Andrews are such good friends.

> *"We would urge Mr. Andrews to ask his friend, Mr. Rand, to honor his commitment to tell the complete story." - Rep. Byron Dorgan*

"He is clearly the linchpin," Conrad said of Rand. Rand was implicated by Marion Harrison, a Washington, D.C., attorney who was forced to resign his law partnership last week after he said Rand paid him to hire the Bismarck private eye firm of W.T. Butcher and Associates to investigate Dorgan and Conrad.

Rand and Gliesecke have refused to talk to reporters since Harrison's statement. Rand's secretary in Washington said he was still out of town today, but could be back tomorrow. Gliesecke was in today but he would not take or return calls from The Tribune.

Conrad said he and Dorgan may still file an FEC complaint if Rand does not satisfactorily answer all their questions this week. The two Democrats sent Rand a list of questions last week, all of which are aimed at learning who ordered and paid for the investigation on Dorgan and Conrad.

The investigation by private attorneys in Washington, D.C., Bismarck and Washington state accused Dorgan of having a conflict of interest, because his wife is a congressional lobbyist for Canadian timber interests. Packets of information gathered in the investigation were mailed anonymously to The Tribune earlier this summer.

In their statement, Conrad and Dorgan said they hope Rand answers all their questions, "so we can get on with a serious discussion of the critical issues facing North Dakota."

Conrad, however, said that does not necessarily mean he would not make an issue of the probe in his campaign against Andrews.

Agribusiness

Number of U.S. farms falls during past year

Washington (AP)

The number of farms in the United States dropped 3 percent in the past year as the size of the average American farm continued to grow, the Agriculture Department said Tuesday.

The department estimated the number of farms at 2.21 million, a 9 percent slide since the downturn in the farm economy began in 1981, and 3 percent less than last year's level of 2.28 million.

Farm acreage was down less than 1 percent during the past year, to just more than 1 billion acres, that meant the average size of a farm grew from 446 to 455 acres.

The number of farms in North Dakota declined 3 percent in 1986, the North Dakota Agricultural Statistics Service reported.

The decline continued a long-term downward trend which began after farm numbers peaked at 86,000 in 1933.

The total number of farms in the United States also dropped 3 percent, 2.28 million in 1985 to 2.21 million.

The total number of farms in North Dakota has fallen 14 since 1981, while the total land in farms has fallen only 1 percent, making the average farm size larger.

The national report closely tracked new figures released last week showing that the nation's farm population has shrunk by 11.5 percent since 1980, to 5.3 million. That meant just one American in 45 now lives on a farm, compared to one in four in 1930.

While farm numbers continued a long decline that began in the mid-1930s, the proportion of those left that fell into different size categories continued to shift.

The share of farms now selling less than $10,000 a year increased slightly, while those selling more than $100,000 a year remained unchanged. There was a slight drop in the share of farms in the middle range, between those two categories.

The government's definition of a farm includes any place selling at least $1,000 a year or more worth of agricultural products.

Smaller farms tend to be more rural residences than commercial farms, and thus are less vulnerable to economic problems in agriculture, said Don Reimund, a department economist.

"What we're seeing is that a the middle drops out, the re sources are still there and some body else is going to take ove operation of it," Reimund said.

Area states all showed decline according to a department listi the estimated number of farms on June 1 compared to the num ber a year earlier. Minnesota re ported 93,000 and 96,000, North Dakota reported 33,000 and 34,000 and South Dak 36,00 and 36,500.

Lawyer says nothing about Dorgan probe

Tuesday passed without word from Bert Rand, the Washington lawyer who was involved in hiring private detectives to investigate the backgrounds of two North Dakota congressional candidates.

Rep. Byron Dorgan, D-N.D., and Kent Conrad, state tax commissioner and candidate for U.S. Senate, said they will issue a joint statement today explaining what action they will take in response to the investigation of their backgrounds.

Last week Dorgan and Conrad sent a letter to Rand telling him they would file a complaint with the Federal Election Commission if he did not candidly and truthfully answer questions about who paid for the investigation. They gave him a Tuesday deadline.

"I haven't heard a word at this point," Dorgan said Tuesday evening, referring to a response from Rand. Dorgan said he and Conrad discussed Rand's failure to respond to their letter, and agreed to issue a statement this morning.

Conrad, who is trying to unseat Sen. Mark Andrews, R-N.D., said he and Dorgan would resume their meeting late Tuesday night. He said they would release the statement at mid-morning today.

Both Dorgan and Conrad have said they want to find out who ultimately hired the Bismarck investigating firm, and that an FEC complaint or a civil lawsuit might provide the answers.

Rand — a longtime friend of Andrews who has been identified as a central figure in the investigations of Dorgan and Conrad — has been unavailable for comment since his name surfaced last week. Another Washington lawyer, Marion B. Harrison, said Rand asked him to drop an investigating firm.

Andrews admitted hiring a friend of Rand's for more than $6,000, but denied any knowledge or involvement in the investigation, which centered primarily on Dorgan's personal life and the lobbying activities of Dorgan's wife, Kimberly Sue Olson. Andrews has said he would support an FEC investigation.

Amy Gutman, an Andrews aide, said Tuesday that the senator had not heard from Rand and has been unable to reach him in recent days.

Deadline: Andrews' friend remains mum

Tribune 8-12-86

By GERRY GILMOUR
Tribune Staff Writer

A close friend of Sen. Mark Andrews this morning had yet to disclose who hired him to investigate Rep. Byron Dorgan and state Tax Commissioner Kent Conrad.

Conrad and Dorgan had set today as the deadline for Washington, D.C., attorney Bert Rand to name the person or parties behind the investigation. They threatened to ask for a federal inquiry if they didn't get an answer.

Neither candidate had heard from Rand as of noon today.

Dorgan said from Washington that he and Conrad will decide tonight what action to take. Possibilities that have been mentioned include a Federal Election Commission complaint naming Rand and Andrews as respondents or a civil suit to force Rand to disclose his client. Dorgan, however, wouldn't elaborate this morning on what course of action might be taken.

"The thing to do now is just to wait and see if Mr. Rand shows up," Dorgan said. "He hasn't been the most forthcoming on all of this."

Conrad today called it a "remarkable coincidence" that Rand is a friend of Andrews and that his son, John Rand, worked for Andrews for three years on the Senate Budget Committee. "But I wouldn't point any fingers unless I had proof. There's no clear proof of who paid for this and who carried it out," Conrad said.

Rand has been unavailable since last week when attorney Marion Harrison said Rand had paid him to hire private detectives in Bismarck to investigate Conrad and Dorgan.

A secretary for Rand this morning said he will be "out of town" all week. She said she couldn't say where he was. And starting next week, he'll be going on a month-long vacation.

At a press conference last Wednesday, Andrews said he would join Dorgan and Conrad in a federal inquiry and added that he had asked his friend to tell the press who actually paid for the investigation.

But Tim Burke, Andrews' press aide, today said the senator's office also has been unsuccessful in reaching Rand.

Andrews hasn't talked to reporters since the press conference.

Last week, Andrews said Rand had told him he wasn't doing political work, but had been hired by a client to compile "public document information" on Dorgan.

Those public documents later turned up in an anonymous package mailed to The Washington

(More on LAWYER, Page 8A)

Lawyer says he was hired to shield Andrews' friend

CONTINUED FROM PAGE 1A

Times, The Tribune and the Fargo Forum.

A cover letter with the package called into question the lobbying activities of Dorgan's wife, Kimberly Sue Olson, who worked for Canadian timber interests in opposing a trade bill before Dorgan's House Ways and Means Committee.

A Tribune investigation linked Fritz Giesecke, a law partner in Rand's office, and Bellevue, Wash. attorney Peter Lind — a friend of Rand — to the gathering of documents in the package.

But Lind has said he can't remember who hired him to get a copy of Dorgan's marriage license. And Giesecke has been as hard to find as Rand.

Harrison was ousted by his partners from a prominent Washington, D.C. law firm when they learned of his involvement in the investigation.

He also won't return calls to The Tribune, but in an interview granted to the National Law Review said he believed he was retained by Rand to hire the detectives because Rand and Giesecke didn't want to be "linked to them directly."

Harrison also said it was Giesecke who mailed the packages. The package to The Tribune has a Seattle, Wash. postmark, and the package to The Forum was mailed from a Washington, D.C. suburb.

to wetlands controversy

During the past few months, major steps have been taken in North Dakota toward easing conflicts between the various groups and organizations embroiled in the two-decade controversy over preserving the state's wetlands.

Agricultural interests, those promoting Garrison Diversion and water development, and individuals and organizations interested in wetlands preservation have taken a number of major actions toward burying the hatchet and starting anew.

It wasn't long ago that a memorandum of understanding was signed in Bismarck involving many of the organizations that have been pitted against each other. Gov. George Sinner represented the state.

The latest step toward continued improvement in relations involves recommendations of the Wetlands Advisory Committee, which is proposing a bill draft for the 1987 Legislature.

Just about every organization involved in the wetlands controversy had a representative on the committee and coming up with proposed legislation has not been easy. It has taken a lot of time, a lot of give on both sides and possibly for all a little better understanding of where the other side is coming from.

In itself, legislation will not end wetlands conflicts. It will take a commitment from both sides, plus a vehicle that can be used to negotiate disputes.

The proposed wetlands legislation recognizes the importance of agriculture and water development in North Dakota and cites the importance of wetlands. It states:

- Water development and wetlands preservation activities must be balanced to protect North Dakota's agriculture, water and wildlife resources and to provide mutual cooperation and accommodation of wetland, farm and water objectives and interests.

- Water resource districts shall consider the protection of wetlands in the initial planning phases of water resources projects.

- The state and its political subdivisions, including water resource districts, will work toward the development of "no net loss of wetlands" policies and guidelines for the state.

- Wetlands protection programs shall emphasize adequate economic compensation to farmers and periodic evaluation.

- Acquisition of land interests for wetlands shall not be accomplished through the exercise of eminent domain.

- Payment shall be provided to political subdivisions for lost taxes resulting from land for wetlands protection being removed from the tax base.

Another good suggestion before the Legislative Council's Agriculture Committee is a proposed bill that would set up a state wetlands mediation board to help negotiate disputes between farmers and the U.S. Fish and Wildlife Service before they end up in federal court.

A sensible approach is long overdue and with agriculture, water development interests and wildlife officials and organizations working together — in the wake of the Garrison Diversion agreement, it is a good time to pass some meaningful legislation and avert the logger heads situation that has existed in the past.

staying out of sight, touch

By James McGregor
Herald Washington Bureau

WASHINGTON — A spokesman for North Dakota Sen. Mark Andrews said Monday that Andrews has not spoken with Bert Rand since last week when Andrews denied any involvement in Rand's investigation and smear campaign against Rep. Byron Dorgan of North Dakota.

"I was told that he hadn't talked to him," said Tim Burke, Andrews' press secretary. "I don't know where Bert Rand is."

At a press conference last Wednesday, Andrews said that he would ask Rand to meet with reporters to quell suspicions that Andrews knew about or commissioned the investigation.

A secretary at Rand's Washington D.C. law firm — Trammell, Rand, Nathan & Lincoln — said Monday that Rand had left town and was going to be gone all week. She said partners of the firm would not allow her to say where he went.

Since it became known that Rand is a close friend of Andrews, Rand has been unavailable for comment. Last week, the law firm said he was out of town. Andrews was able to contact Rand last week but didn't know where Rand was.

At that time, Andrews said he was satisfied with Rand's explanation that he had organized the investigation for a business client so Andrews didn't ask who the client was.

At least one radio station in North Dakota was reporting on Monday that Rand had agreed to meet with reporters this week. Burke said he knew nothing about that.

At his press conference last week, Andrews said he believes that Rand already had arranged to meet with Dorgan to clear up the matter. Dorgan said that he has been unable to contact Rand since Rand canceled a meeting they had scheduled for last Monday.

■ Dorgan: See back page

Dorgan and State Tax Commissioner Kent Conrad, who is running against Andrews, sent a letter to Rand on Friday that listed a series of questions that they wanted answered by the end of the day on Tuesday.

Dorgan said if there is no response, he and Conrad will decide on Wednesday whether to file a Federal Elections Commission complaint aimed at determining who financed the investigation.

"We'll determine at that point what to do," said Dorgan.

In the past few weeks, information has surfaced that Rand organized an investigation of Dorgan last year. At that time, Dorgan was handily beating Andrews in polls and believed to be the likely candidate to challenge Andrews for the U.S. Senate this November.

Attorneys associated with Rand and private detectives hired by Rand through a middleman, obtained public documents about Dorgan's third marriage and his prior divorces. They also interviewed people about Dorgan's private life and attempted to obtain a radio tape of a press conference held by Conrad after he became Andrews' opponent.

Some of this material was included in a packet sent to newspapers in an attempt to raise questions about Dorgan's wife's job as a lobbyist for Canadian timber interests.

Letters to the Editor

Profit/prophet lesson

To the Editor:

The letter from Mr. Del Moore totally misrepresents my views. Mr. Moore has been one of the foremost champions of the economic policies pursued over the last six years. The results call his credibility into question. He has supported policies that have:

1. Collapsed commodity values in both agriculture and energy;
2. Doubled the national debt;
3. Tripled the federal deficit;
4. Led to a sixfold increase in the trade deficit;
5. Forced record high real interest rates;
6. Created to a 6.1 percent drop in personal income in North Dakota, the second largest in the country.

This is a disastrous combination of policies which have created real economic hardship in North Dakota.

My position has been clear and consistent. Federal deficits must be reduced to take pressure off of interest rates. Interest rates must come down so the value of the dollar can assume a more realistic level so that we are no longer forced out of export markets. Only if those sets of policies are adopted can we hope to eliminate the staggering trade deficit, which has made us a debtor nation for the first time in seventy-one years.

Anyone with an understanding of North Dakota's economy knows that we must restore commodity values if North Dakota is to have a chance to prosper. One thing we have learned is that no one can profit when Delbert Moore is the prophet.

Kent Conrad
Candidate
U.S. Senate

Dorgan investigation raises many questions

Ave 10

By James M. Gregor and Reed Kraim
Herald Washington Bureau

GF

WASHINGTON — It was one of the few times in Sen. Mark Andrews' political career during which his down-home charm and jaunty self-confidence gave way to visible distress and a confused groping for explanations.

Analysis

In a hastily called press conference in his office Wednesday, Andrews, R-N.D., quickly tried to dismiss suspicion that he knew about or participated in an investigation and smear campaign against Rep. Byron Dorgan, D-N.D.

During the 25-minute session, Andrews did his best to point fingers in other directions and plead that he has no reason to discredit Dorgan.

But he failed to answer the central question of the day: How could one of Andrews' closest personal friends launch an investigation and smear campaign into the private life of Andrews' principal political enemy without Andrews' knowledge or participation?

That morning, reporters had learned that Bert Rand, a Washington attorney who has been a close friend of Andrews since the 1950s, had organized an investigation into Dorgan's personal life.



Marion Edwyn Harrison, a Washington, D.C., attorney, hired W.T. Butcher's detective agency to investigate Dorgan, but claims he acted at the request of attorney Bert Rand, a friend of Sen. Mark Andrews.

Andrews indicated that he was satisfied with Rand's explanation to him that it was purely a business deal for a client. Andrews said that he didn't even ask Rand who the client was.

"When I heard about the investigation and that Bert Rand was on board, I thought, my gosh, you know, this is the luck of the Irish," Andrews said.

Then Andrews said that he had no motive to investigate Dorgan because Andrews' opponent this fall is State Tax Commissioner Kent Conrad. Finally, when the questions persisted, Andrews got flustered and began pointing fingers.

Andrews suggested that Dorgan and Conrad had concocted the probe as part of a convoluted plot to embarrass Andrews. Then he speculated that perhaps Sen. Quentin Burdick, D-N.D., was responsible because, after all, Dorgan now is expected to challenge Burdick in 1988.

When the news conference ended, Andrews went back into his inner offices where a half-dozen aides were huddled behind a slightly opened door, listening nervously to the meeting. Since then, Andrews has been unavailable to reporters, except for a short telephone interview with a hand-picked group of radio reporters Friday.

As the week ended, questions about this political whodunit persisted:

- If the investigation was purely a business deal, why did Bert Rand hire a middleman, Washington attorney Marion Edwyn Harrison, to insulate himself from any direct connection with North Dakota private detec-

■ Investigation: See Page 7A

■ The players and a chronology — 6A; editorial — 4C

Pg. 1

continued on next Page

N.D. politics 7A

Doherty may announce a bid against Andrews

Associated Press

NEW ROCKFORD, N.D. — Ed Doherty, a former aide to Sen. Mark Andrews, R-N.D., said he would announce this week if he will launch an independent candidacy against the senator's re-election bid.

Doherty said he is planning a news conference Wednesday in Bismarck to reveal his intentions.

Andrews and his Democratic opponent, state Tax Commissioner Kent Conrad, have failed to adequately recognize the job President Ronald Reagan has done in running the country, Doherty said.

A native of Killdeer, Doherty worked as Andrews' executive assistant from January 1981 to October 1983.

He was a state senator for District 13 during the 1969 and 1971 sessions of the state Legislature. The district included Eddy and Foster counties and part of Benson County.

Doherty won the Republican endorsement to run for governor in 1968, but was beaten by Robert McCarney of Bismarck in the primary.

He sought the nomination again in 1972, but did not pursue it with the effort he had exerted four years earlier, Doherty said.

Doherty, 64, was publisher of the weekly Killdeer Herald from 1946 to 1961, when he sold the paper. It is now called the Dunn County Herald.

He bought the weekly New Rockford Transcript in 1961 and sold it in May 1985, Doherty said. He writes a weekly column for the newspaper.

He and his brother, Howard, who is also a former state legislator, once operated the Cavalier County Republican in Langdon, Ed Doherty said.

He is a former member of the Republican Party's state central committee and once served as state campaign chairman, Doherty said.

Investigation

Continued from Page 1A

tives, as Harrison has contended?

• Why would Rand, who had dinner with Andrews regularly and spent several days with the senator in Europe last year, not tell his close friend about an investigation that obviously could cause Andrews major political problems if it became public?

• If Andrews is connected to the investigation, why did it continue after Dorgan took himself out of the race for Andrews' Senate seat?

• Why would a business interest want to discredit Dorgan, a junior congressman with little clout?

• If the investigation was conducted for U.S. timber interests who were angered about Dorgan's wife lobbying for Canadians, as even Andrews has hinted, why did private detectives research Dorgan's divorces and interview people about his personal life?

• If this was a business investigation of Dorgan, why did one of the private detectives try to obtain radio tapes of a Conrad press conference less than two months after Conrad received the Democratic endorsement to run against Andrews?

• Finally, why would a business interest mail to newspapers anonymous packages of information designed to damage Dorgan's political standing in North Dakota?

Some of these questions may be answered this week. Rand and the other principals disappeared once their participation in the Dorgan probe became public. But Andrews, who is the only person known to have contacted Rand recently, said he hopes that Rand will meet with reporters this week.

The investigation has come to light, in dribbles and drabs, during the past month. Thus far, it has become clear that Rand last year launched a probe into Dorgan's private life and Dorgan's wife's activities as a lobbyist.

Rand used other attorneys to do the actual investigating. His law partner, Fritz Glesecke, obtained Justice Department records that showed Dorgan's wife, Kimberly Sue Olson, 27, works as a lobbyist for Canadian timber companies and other businesses.

An attorney friend of Rand, Peter Lind of Bellevue, Wash., obtained a copy of the license from Dorgan's April 19, 1985, marriage to Olson, his third wife. Lind says he cannot remember for whom he obtained the license.

Rand also hired Harrison to act as a middleman between himself and W T Butcher and Associates, a Bismarck-based private detective firm that researched Dorgan's divorce records and interviewed people in North Dakota about Dorgan's personal life.

Information from all these sources was compiled into a packet that was sent to newspapers in North Dakota and Washington, D.C., with a cover letter insinuating that the material contained evidence of a political scandal.

The packet included a newspaper clipping that carried markings indicating it had come from files at the North Dakota Republican Party Headquarters. But GOP officials said those clips are widely available to party members and the state party had no involvement in the investigation.

Andrews is doing and finding small ways to taunt the senator.

The Dorgan investigation began when the congressman still was considering a run against Andrews for the Senate.

In March 1985, a public poll showed Dorgan beating Andrews 2-1 in a hypothetical race. The first publicly recorded action in the investigation came in October, when Lind obtained a copy of Dorgan's marriage license. This was a week after a poll showed Dorgan still ahead of Andrews 52-41 even though Andrews had run a barrage of television advertising.

Dorgan, Conrad and former aides to Andrews are speculating that Rand eventually will meet with reporters and tell them that he can't reveal the business client that financed the investigation because of attorney-client privilege.

Last week, Dorgan and Conrad threatened to pursue a Federal Elections Commission investigation. Andrews said he would join in such an effort.

This would bury the issue until well past the November election. Once a complaint is filed, the FEC action becomes secret and part of an involved process that takes many months and ends in a "conciliation" session between the two parties.

The other route that Dorgan and Conrad have discussed publicly is filing a civil suit that would force Rand and the other participants to give sworn statements during the pre-trial discovery process.

"I don't intend to let this go, even if it is uncomfortable," Dorgan said Friday.

A civil suit could drag on for months, or longer, and almost certainly would extend into the election campaign.

Pg 2 continued

Investigation

G.F.

The cover letter in the packet contended that Dorgan was hiding Olson's lobbying activities and that her job constituted a conflict of interest because Dorgan sits on the House Ways and Means Committee, which considers trade and tax legislation. Dorgan said there was no conflict and noted that he voted in favor of limiting Canadian timber imports.

The renewed publicity about Olson's career led a reporter to discover that Dorgan had failed to include his wife's job on his 1985 financial disclosure forms.

The story of the investigation broke open last week as North Dakota reporters uncovered the private detectives' activities. The connection to Harrison and then to Rand was established quickly.

While Rand's coordination of the investigation has embarrassed Andrews, it has been less than a windfall for Dorgan. Along with the headlines connecting Rand to Andrews have come constant references to the fact that Dorgan is twice-divorced and now married to a woman 17 years his junior.

The one clear political winner appears to be Conrad, who was trailing Andrews 51-39 in a June newspaper poll. Because a private investigator tried to obtain radio tapes of a Conrad press conference, Conrad has positioned himself alongside Dorgan as an aggrieved victim of the probe.

Andrews' basic defense is that he has no motive to go after Dorgan. But Andrews and Dorgan, the state's two most popular politicians, have had an intense and bitter personal rivalry since Dorgan tried to take away Andrews' U.S. House seat in 1974 and lost by 27,000 votes.

Former aides say that Andrews reads Dorgan's press clippings daily and has been known to berate his press secretary if Dorgan is receiving more publicity than Andrews.

"He's totally paranoid about Dorgan," said a former Andrews aide who said that 10 staffers have resigned from Andrews's office since early last year.

Similarly, former aides say that Dorgan closely monitors press coverage of Andrews' activities and alternates between worrying about what

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Press - 8-3-89

Detective agency experiences growth

By RICHARD L. VERNACI
Associated Press Writer

BISMARCK, N.D. (AP) — William T. Butcher, a former FBI agent, presides over what he says is the largest private investigation and security agency in the state, and much of the company's expansion has happened this year.

When the 46-year-old Butcher started the company in late 1982, working out of his house, it was three weeks before he landed his first client, he said.

Now the firm operates from a suite of Bismarck offices, and has investigators in Minot, Williston, Dickinson and Fargo. Visitors to the Bismarck office are greeted by a framed photograph of film star Humphrey Bogart, clad in hat and trenchcoat.

Currently it is conducting between 40 and 50 investigations, mainly for attorneys involved in cases such as industrial and traffic accidents, Butcher said.

"WE ARE THE fact gatherers," he said. "We interview all the people and decide who are the good witnesses and who aren't."

The company, which also provides court reporters, repossesses property and serves papers, has expanded into providing private security services, according to one of its brochures.

"The only employees of our whole company are my partner and I and our secretaries," Butcher said. "We have independent contractors who are registered under our agency with the attorney general's office."

Those independent contractors are the firm's investigators, he said.

Papers filed with the state Attorney General's office, which licenses private detective agencies and the investigators, show the firm has 17 investigators on its staff, including Butcher. Eight of those investigators joined the firm this year, the records show.

"WE HAD A Fargo office for two years," Butcher said "We changed personnel over there. We had one investigator, now we have four."

Two of the investigators in the Fargo office are C. Dan Smith and Kim Murphy, both of whom worked in the Attorney General's Drug Enforcement Unit under Robert Wefald and Allen Olson.

Smith gained notoriety in 1984 as the drug agent who tape-recorded public statements of Nicholas Spaeth, who was the Democratic candidate for attorney general.

Butcher said he was unaware of Smith's involvement in the taping incidents and added that his company's policy forbids its involvement in political investigations.

"Nobody associated with Butcher & Associates does or ever has done any political work," Butcher said.

However, the agency would investigate a political candidate if hired to do so by a law firm, he said.

"I wouldn't do it if it was political, even if it was a law firm, but I guess that's a matter of definition," he said.

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Attorney hired detectives to investigate Dorgan

VC 8-5-86

By RICHARD L. VERNACI
Associated Press Writer

WASHINGTON (AP) — An attorney who hired private detectives to investigate Rep. Byron Dorgan, D-N.D., was forced to resign from his law firm because of his involvement in the matter, a spokesman for the firm said today.

"This is something that we are very uncomfortable with," said spokesman Alexander J. Pires Jr. "We don't want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman."

Marion Edwyn Harrison, a founding partner in the firm Scott, Harrison and McLeod, was asked to resign during a meeting of the partners convened late Monday after they found he had hired detectives in Bismarck, N.D., Pires said.

Private investigators from W.T. Butcher & Associates Ltd., a Bismarck firm, have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad.

Butcher, who had refused to confirm or deny that his agency was conducting the investigation, said he would not gather information on a politician for another politician or a political party. However, he did say he would do so if hired by an attorney.

Conrad and Dorgan have said they believed the investigation was politically motivated but did not know who was behind it.

Dorgan said today that he had not heard of Harrison until recently and his departure from the law firm did not settle the matter of who ultimately is responsible for hiring the detectives.

"I think it's important to find out who has been involved in these campaign dirty tricks," Dorgan said. "I expect we'll discover who that was."

Harrison was out of his office this morning and was not immediately available for comment.

Pires said Harrison admitted hiring the detectives but refused to reveal who retained him to do so.

"He said that he had retained Butcher & Associates to do an investigation of the congressman," Pires said.

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

"The partnership has never undertaken, requested, or approved of an investigation of Congressman Dorgan or any member of Congress," the firm said in a statement. "The members of the law firm feel strongly that this kind of tactic is wrong and has *no* place in the political system."

The law firm, founded by former Sen. Hugh Scott, R-Pa., is engaged largely in lobbying and corporate law, Pires said.

Although some law firms do hire private investigators to help gather information for their clients, the nature of the Scott firm's practice does not involve that, Pires said.

"We do not have any (investigators) on our staffs and we do not hire investigators," he said.

Harrison was a member of the law firm when it formed two years ago, Pires said.

The firm has changed its name to Scott, McLeod, Himmelberg, Matz, Pires and Price, Pires said. It already has ordered new stationery and was preparing to change the sign on the door right away, he said.

:9 AP 08-05-86 ~~12:39~~ PET 31 LINES
ap-(lawyer-detectives)
(t o p s with dorgan comment today, fixes pronouncer on pires)

(washington) _ a washington attorney has admitted hiring the private detective agency that has recently been looking into the background of congressman byron dorgan.

but dorgan says that doesn't settle the matter.

a spokesman for marion harrison's washington law firm says harrison has been forced to resign from the firm for his role in the affair.

alexander pires (pier'-eez) junior says the firm's six remaining partners demanded harrison's resignation after a meeting yesterday afternoon. harrison was a member of the firm when it was founded two years ago.

harrison says he hired the bismarck detective agency of w-t butcher associates to look into dorgan's background.

harrison says he did not ask for an investigation of tax commissioner kent conrad--although an investigator from the butcher agency has made inquiries about him.

pires says harrison won't say who paid him to hire the detectives. and dorgan says the matter isn't settled until that is known as well.

SS RETURN TO CONTINUE OR ENTER A REQUEST.

(dash)

one detective made copies of part of the court files from dorgan's divorce from his second wife.

pires says the situation is very embarrassing to the law firm. he says it's primarily involved in lobbying and corporate law, and he insists it doesn't have or use private investigators.

[redacted]

2 AP 08-05-86 12:21 PET 60 LINES
PM-Lawyer-Detectives, 1st L[illegible]ethru,540:
Eds: INSERTS 2 grafs after 6th graf: Conrad and... to include comment from Dorgan: picks up 7th graf pvs: Harrison was...
Washington Attorney Hired Detectives To Investigate Dorgan:
By RICHARD L. VERNACI=
Associated Press Writer=

WASHINGTON (AP) _ An attorney who hired private detectives to investigate Rep. Byron Dorgan, D-N.D., was forced to resign from his law firm because of his involvement in the matter, a spokesman for the firm said today.

''This is something that we are very uncomfortable with,'' said spokesman Alexander J. Pires Jr. ''We don't want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman.''

Marion Edwyn Harrison, a founding partner in the firm Scott, Harrison, and McLeod, was asked to resign during a meeting of the partners convened late Monday in the wake of discovering he had hired detectives in Bismarck, N.D., Pires said.

Private investigators from W.T. Butcher & Associates Ltd. have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad.

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Dorgan said today that he had not heard of Harrison until recently and his departure from the law firm did not settle the matter of who ultimately is responsible for hiring the detectives.

''I think it's important to find out who has been involved in these campaign dirty tricks,'' Dorgan said, ''I expect we'll discover who that was.''

Harrison was out of his office this morning and was not immediately available for comment.

Pires said that Harrison acknowledged hiring the detectives but refused to refused to reveal who retained him to do so.

''He said that he had retained Butcher & Associates to do an investigation of the congressman,'' Pires said.

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

''The partnership has never undertaken, requested, or approved of an investigation of Congressman Dorgan or any member of Congress,''

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the law firm said in a statement. ''The members of the law firm feel strongly that this kind of tactic is wrong and has no place in the political system.''

The law firm, founded by former Sen. Hugh Scott, R-Penn., is engaged largely in lobbying and corporate law, Pires said.

Although some law firms do hire private investigators to help gather information for their clients, the nature of the Scott firm's practice does not involve that, Pires said.

"We do not have any (investigators) on our staffs and we do not hire investigators," he sa

Harrison was a member of the law firm when it formed two years ago," Pires said.

The firm has changed its name to Scott, McLeod, Himmelberg, Matz, Pires and Price, Pires said.

It already has ordered new stationery and was preparing the change the sign on the door right away, he said.

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Examples of finding information in the Newswire service:

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Washington lawyer hired detectives in Dorgan snoop

JAMESTOWN 8-5-86

By RICHARD L. VERNACI
Associated Press Writer

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Soo Line may abandon branch lines

8-5-86 LONIW

RUGBY — A legal notice published in the Tribune newspaper at Rugby indicated the Soo Line is anticipating to seek abandonment of its branch lines between Baker and Drake within the next three years. The lines include track which now runs through Silva, Balta and Orrin in Pierce County.

Dorgan could file complaint with FEC

CONTINUED FROM PAGE 1A

against a trade proposal before Dorgan's House Ways and Means Committee.

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Andrews said that he called Rand Tuesday when he learned his friend had hired attorney Marion Harrison to investigate Dorgan. Harrison was ousted by his colleagues Monday from a prominent Washington, D.C. law firm when his involvement in the investigation surfaced.

"When I saw his name mentioned in connection with the story regarding alleged political snooping in North Dakota, I called him to ask what the situation was," Andrews said this morning. "He stated that he didn't do political work. A client had requested a compilation of public document information on Congressman Dorgan and he had done that."

Harrison, a GOP attorney who was involved in the 1971 Milk Fund scandal, hired Bismarck detective William Butcher to investigate Dorgan and Conrad. The Washington Post reported this morning that Harrison paid the detective firm $3,000 for the probe.

Andrews said Rand will meet next week with Dorgan to discuss who might be behind the investigation.

"Let me make it perfectly clear to the thousands of contributors we have across North Dakota that neither my committee nor I have even spent one penny to hire private investigators to investigate our opponents. I hope all other candidates can say the same thing," Andrews said. "If Mr. Dorgan files a complaint with the Federal Election Committee I will join him in the effort. We must get to the bottom of this as soon as possible."

Tim Burke, Andrews' press secretary, said the Senator "is not going to get involved in speculation" as to who is behind the Dorgan Papers.

Some sources say a corporation or industry may have been behind the effort to damage Dorgan, and point to timber interests.

Rand was in Portland, Ore., today and was unavailable for comment. The secretary for Rand and his law partner, Fritz Giesecke, said she couldn't comment on the relationship between Rand and Andrews. "I don't know what's going on but I've been told not to give you any information," she said.

The Tribune learned through a Freedom of Information request that Giesecke gathered documents on the lobbying activity of Dorgan's wife from the U.S. Justice Department in February.

Meanwhile, Bellevue, Wash., attorney Peter Lind acknowleged Tuesday that he is also a friend of Rand. Lind in October obtained a copy of Dorgan's marriage license from the vital records section of the state of Washington's Department of Social and Health Services. But he denies he was working for Rand and says he was working for a law firm in Portland. He says he can't remember the name of that firm and has not been paid for his efforts.

The Tribune used Washington state's open records law to establish his involvement.

Harrison told The Washington Post Tuesday that he and Rand were also friends.

Page 2

R90407 31584

:4 AP 08-06-86 12:33 PET 17 LINES
ap-(andrews-lawyer)

(BISMARCK) _ north dakota senator mark andrews says he would join byron dorgan in filing a complaint with the federal election commission if the democratic congressman chose to do so.

andrews says it must be determined who hired detectives to gather information on dorgan.

one named mentioned was that of bert rand, a washington lawyer.

andrews says rand told him that a client had requested public document information on dorgan.

however, the republican senator says rand told him he didn't do political work.

andrews says rand has spoken with dorgan and told the congressman the same thing.

the senator also reiterated that he was not involved in the investigation or the hiring of private detectives.

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Examples of finding information in the Newswire service;

TER:	TO FIND:
ORTION	Stories on a particular subject
OR ARIZ OR ARIZONA	Stories from a particular state
NANCIAL	Stories from the financial wire
NANCIAL BENDIX	Stories about a particular subject on the financial wire
LUMN AND GEORGE WILL	A particular columnist
OLUMN	A list of columns available
AT CHECK	The Washington, D.C. daybook
LIAR-GOL	

AP 08-06-86 12:28 PET 46 LINES

NM-Lawyer-Andrews,420:

Andrews Says He'd Join Dorgan In FEC Complaint:

BISMARCK, N.D. (AP) _ Sen. Mark Andrews said today he would support Rep. Byron Dorgan if the Democratic representative files a complaint with the Federal Election Commission over an investigation of Dorgan's background.

''Neither my (re-election) committee nor I has ever spent one penny to hire private investigators and we never will,'' Andrews said in a statement.

''If Mr. Dorgan files a complaint with the Federal Election Commission, I will join him in this effort. We must get to the bottom of this as soon as possible,'' said Andrews, a Republican who is seeking his second Senate term.

Dorgan has said he is considering filing a complaint with the FEC, saying he believed the investigators were hired with campaign funds without those expenditures appearing on finance reports.

William Butcher, who operates the W.T. Butcher & Associates private detective agency in Bismarck, said a Washington, D.C., attorney had hired him earlier this year to check into Dorgan's background.

That attorney, Marion E. Harrison, was forced to resign from his

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law firm Mres ?

., said the firm believed Harrison's action was wrong.

Harrison told The (Fargo) Forum he had been retained by Washington attorney Bert Rand to hire Butcher's detective agency. Rand has declined comment on the matter, but Andrews said Rand told him he did nothing more than gather documents on Dorgan that were already public record.

''I have known Bert Rand for some time ... When I saw his name mentioned in connection with a story regarding alleged political snooping in North Dakota, I called him to ask what the situation was,'' Andrews said.

''(Rand) stated he didn't do political work. A client had requested a compilation of public document information regarding Congressman Dorgan and he had done that,'' Andrews said.

Rand told him he had spoken with Dorgan and told the congressman the same thing, Andrews said.

Layton Freborg, chairman of the North Dakota Republican Party, said the possibility of an FEC investigation did not disturb him.

''I am just not involved and don't know anybody who is. I just have nothing to hide,'' Freborg said.

Freborg said Democrats were ''making a mountain out of a molehill'' out of the situation.

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''He's very nervous,'' Freborg said of Dorgan. ''I doubt very much that anyone with a clean slate ... would be very concerned.''

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Examples of finding information in the Newswire service:

ER: TO FIND:

Dorgan could file complaint with FEC

CONTINUED FROM PAGE 1A

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Making the connections

BERT RAND: Attorney who hired others to do investigations. He is a friend of Sen. Mark Andrews and his son worked as an aide to Andrews until January. The senator denies he knows anything about the investigations.

MARION HARRISON: Lawyer who admits he hired W.T. Butcher and Associates, Bismarck private eyes, to investigate Dorgan. He says he was hired by Rand.

FRITZ GIESECKE: Lawyer who obtained documents on Mrs. Dorgan's lobbying activities. Works with Rand in same Washington law office.

BUTCHER and Associates of Bismarck. Private investigators tried to obtain information about both Dorgan and Andrews' opponent, Kent Conrad.

PETER LIND: Washington state attorney who obtained Dorgan's marriage license. He admits he knows Rand. Sources say they are friends.

Big Sib Stable

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AP 08-06-86 08:52 PET 66 LINES
AM-Lawyer-Andrews, ND Bjt,5
Andrews Repeats Denial Of Involvement In Detective-Agency Probe:

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''I'm categorically saying I had nothing to do with this so-called political investigation,'' Andrews said.

Andrews, R-N.D., was questioned during a news conference in Washington, D.C., about the probe and his friendship with Bert Rand, a Washington attorney who has said he helped to hire the detective agency who investigated Dorgan.

At the news conference, which was linked by telephone to North Dakota news media, the senator repeated a statement he made Wednesday morning that he would be willing to join Dorgan in asking for a Federal Election Commission investigation of the affair.

Dorgan, D-N.D., and state Tax Commissioner Kent Conrad said Wednesday they were considering asking for such a probe. Conrad is opposing Andrews' bid for a second Senate term, while Dorgan is running against Republican Syver Vinje in a bid for a fourth House term.

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Rand has told Andrews and Dorgan he hired Washington attorney Marion E. Harrison in connection with a client's request to check Dorgan's background.

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Andrews said he first met Rand more than 20 years ago, when Rand was representing a company that was looking into establishing a meatpacking plant in West Fargo. He described Rand as ''one of my better friends'' and said Rand's son once worked for him on the staff of the Senate Budget Committee.

He did not know of Rand's involvement in the Dorgan investigation until he read about it in the newspapers earlier this week, Andrews said. Rand has declined to comment to The Associated Press.

''I called (Rand) and said, 'What the heck is going on, what is behind all of this,''' Andrews said. Rand told him not to worry about the matter, saying he was working for a private client, Andrews said.

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Andrews said Rand's actions disturbed him, but the senator answered questions about him calmly and said he was not outraged at Rand.

Asked if he believed Dorgan and Conrad were playing up the affair to try to damage his political fortunes, Andrews replied, ''Well, it certainly seems that way.''

''They're the ones that talk about a $100,000 figure,'' said

Andrews, referring to Dorgan's estimates of the cost of the investigation of him.

Rand told Andrews he had been instructed to collect information on a member of the House Ways and Means Committee whose wife was a lobbyist for foreign timber interests. Dorgan is a member of that committee, and his wife, Kimberly Olson, lobbies for the Canadian timber industry.

The senator said he saw nothing wrong with collecting information already on the public record.

"As long as they were looking for public documents ... they're available to all of us," Andrews said.

"If they were wiretapping, if they were shadowing or something like that ... Bert Rand would no longer be my friend," Andrews said.

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ORTION	Stories on a particular subject
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NANCIAL	Stories from the financial wire
NANCIAL BENDIX	Stories about a particular

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7 AP 08-06-8 09:53 PET 68 LINES
AM-Lawyer-Andrews, 1st Ld-Wr thru,580:
Eds: SUBS 3rd graf pvs, ''Andrews, R-N.D.... and 7th graf pvs, ''Rand has told... to fix attribution. Picks up 8th graf pvs, ''Harrison in turn...''

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He did not know of Rand's involvement in the Dorgan investigation until he read about it in the newspapers earlier this week, Andrews said. Rand has declined to comment to The Associated Press.

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8 AP 08-07-86 02:02 AET 74 LINES
BC-House Textile Roll Call, 1st Add,390:
WASHN: Whittaker, no.
KENTUCKY=
Democrats _

0 AP 08-06-86 08:52 PET 66 LINES
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Press - 8-3-89

Detective agency experiences growth

By RICHARD L. VERNACI
Associated Press Writer

BISMARCK, N.D. (AP) — William T. Butcher, a former FBI agent, presides over what he says is the largest private investigation and security agency in the state, and much of the company's expansion has happened this year.

When the 46-year-old Butcher started the company in late 1982, working out of his house, it was three weeks before he landed his first client, he said.

Now the firm operates from a suite of Bismarck offices, and has investigators in Minot, Williston, Dickinson and Fargo. Visitors to the Bismarck office are greeted by a framed photograph of film star Humphrey Bogart, clad in hat and trenchcoat.

Currently it is conducting between 40 and 50 investigations, mainly for attorneys involved in cases such as industrial and traffic accidents, Butcher said.

"WE ARE THE fact gatherers," he said. "We interview all the people and decide who are the good witnesses and who aren't."

The company, which also provides court reporters, repossesses property and serves papers, has expanded into providing private security services, according to one of its brochures.

"The only employees of our whole company are my partner and I and our secretaries," Butcher said. "We have independent contractors who are registered under our agency with the attorney general's office."

Those independent contractors are the firm's investigators, he said.

Papers filed with the state Attorney General's office, which licenses private detective agencies and the investigators, show the firm has 17 investigators on its staff, including Butcher. Eight of those investigators joined the firm this year, the records show.

"WE HAD A Fargo office for two years," Butcher said. "We changed personnel over there. We had one investigator, now we have four."

Two of the investigators in the Fargo office are C. Dan Smith and Kim Murphy, both of whom worked in the Attorney General's Drug Enforcement Unit under Robert Wefald and Allen Olson.

Smith gained notoriety in 1984 as the drug agent who tape-recorded public statements of Nicholas Spaeth, who was the Democratic candidate for attorney general.

Butcher said he was unaware of Smith's involvement in the taping incidents and added that his company's policy forbids its involvement in political investigations.

"Nobody associated with Butcher & Associates does or ever has done any political work," Butcher said.

However, the agency would investigate a political candidate if hired to do so by a law firm, he said.

"I wouldn't do it if it was political, even if it was a law firm, but I guess that's a matter of definition," he said.

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Attorney hired detectives to investigate Dorgan

VC 8-5-86

By RICHARD L. VERNACI
Associated Press Writer

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:9 AP 08-05-86 ~~12:39~~ PET 31 LINES
ap-(lawyer-detectives)
(t o p s with dorgan comment today, fixes pronouncer on pires)

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but dorgan says that doesn't settle the matter.

a spokesman for marion harrison's washington law firm says harrison has been forced to resign from the firm for his role in the affair.

alexander pires (pier'-eez) junior says the firm's six remaining partners demanded harrison's resignation after a meeting yesterday afternoon. harrison was a member of the firm when it was founded two years ago.

harrison says he hired the bismarck detective agency of w-t butcher associates to look into dorgan's background.

harrison says he did not ask for an investigation of tax commissioner kent conrad--although an investigator from the butcher agency has made inquiries about him.

pires says harrison won't say who paid him to hire the detectives. and dorgan says the matter isn't settled until that is

SS RETURN TO CONTINUE OR ENTER A REQUEST.

known as well.

(dash)

one detective made copies of part of the court files from dorgan's divorce from his second wife.

pires says the situation is very embarrassing to the law firm. he says it's primarily involved in lobbying and corporate law, and he insists it doesn't have or use private investigators.

[redacted]

2 AP 08-05-86 12:21 PET 60 LINES
PM-Lawyer-Detectives, 1st L[illegible]ethru,540:
Eds: INSERTS 2 grafs after 6th graf: Conrad and... to include comment from Dorgan; picks up 7th graf pvs: Harrison was...
Washington Attorney Hired Detectives To Investigate Dorgan:
By RICHARD L. VERNACI=
Associated Press Writer=

WASHINGTON (AP) _ An attorney who hired private detectives to investigate Rep. Byron Dorgan, D-N.D., was forced to resign from his law firm because of his involvement in the matter, a spokesman for the firm said today.

''This is something that we are very uncomfortable with,'' said spokesman Alexander J. Pires Jr. ''We don't want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman.''

Marion Edwyn Harrison, a founding partner in the firm Scott, Harrison, and McLeod, was asked to resign during a meeting of the partners convened late Monday in the wake of discovering he had hired detectives in Bismarck, N.D., Pires said.

Private investigators from W.T. Butcher & Associates Ltd. have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad.

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Butcher, who had refused to confirm or deny that his agency was conducting the investigation, said he would not gather information on a politician for another politician or a political party. However, he did say that he would do so if retained by an atttorney.

Conrad and Dorgan have said they believed the investigation was politically motivated but did not know who was behind it.

Dorgan said today that he had not heard of Harrison until recently and his departure from the law firm did not settle the matter of who ultimately is responsible for hiring the detectives.

''I think it's important to find out who has been involved in these campaign dirty tricks,'' Dorgan said. ''I expect we'll discover who that was.''

Harrison was out of his office this morning and was not immediately available for comment.

Pires said that Harrison acknowledged hiring the detectives but refused to refused to reveal who retained him to do so.

''He said that he had retained Butcher & Associates to do an investigation of the congressman,'' Pires said.

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

''The partnership has never undertaken, requested, or approved of an investigation of Congressman Dorgan or any member of Congress,''

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the law firm said in a statement. ''The members of the law firm feel strongly that this kind of tactic is wrong and has no place in the political system.''

The law firm, founded by former Sen. Hugh Scott, R-Penn., is engaged largely in lobbying and corporate law, Pires said.

Although some law firms do hire private investigators to help gather information for their clients, the nature of the Scott firm's practice does not involve that, Pires said.

"We do not have any (investigators) on our staffs and we do not hire investigators," he sa

Harrison was a member of the law firm when it formed two years ago," Pires said.

The firm has changed its name to Scott, McLeod, Himmelberg, Matz, Pires and Price, Pires said.

It already has ordered new stationery and was preparing the change the sign on the door right away, he said.

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Examples of finding information in the Newswire service:

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8904073158 2

Washington lawyer hired detectives in Dorgan snoop

JAMESTOWN 8-5-86

By RICHARD L. VERNACI
Associated Press Writer

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Soo Line may abandon branch lines

8-5-86 LONW

RUGBY — A legal notice published in the Tribune newspaper at Rugby indicated the Soo Line is anticipating to seek abandonment of its branch lines between Baker and Drake within the next three years. The lines track which now runs through Silva, Balta and Orrin in Pierce County.

Dorgan could file complaint with FEC

CONTINUED FROM PAGE 1A

against a trade proposal before Dorgan's House Ways and Means Committee.

Some material in the package was assembled last fall when it was widely speculated that Dorgan would run against Andrews for the Senate seat.

Andrews said that he called Rand Tuesday when he learned his friend had hired attorney Marion Harrison to investigate Dorgan. Harrison was ousted by his colleagues Monday from a prominent Washington, D.C. law firm when his involvement in the investigation surfaced.

"When I saw his name mentioned in connection with the story regarding alleged political snooping in North Dakota, I called him to ask what the situation was," Andrews said this morning. "He stated that he didn't do political work. A client had requested a compilation of public document information on Congressman Dorgan and he had done that."

Harrison, a GOP attorney who was involved in the 1971 Milk Fund scandal, hired Bismarck detective William Butcher to investigate Dorgan and Conrad. The Washington Post reported this morning that Harrison paid the detective firm $3,000 for the probe.

Andrews said Rand will meet next week with Dorgan to discuss who might be behind the investigation.

"Let me make it perfectly clear to the thousands of contributors we have across North Dakota that neither my committee nor I have even spent one penny to hire private investigators to investigate our opponents. I hope all other candidates can say the same thing," Andrews said. "If Mr. Dorgan files a complaint with the Federal Election Committee I will join him in the effort. We must get to the bottom of this as soon as possible."

Tim Burke, Andrews' press secretary, said the Senator "is not going to get involved in speculation" as to who is behind the Dorgan Papers.

Some sources say a corporation or industry may have been behind the effort to damage Dorgan, and point to timber interests.

Rand was in Portland, Ore., today and was unavailable for comment. The secretary for Rand and his law partner, Fritz Glesecke, said she couldn't comment on the relationship between Rand and Andrews. "I don't know what's going on but I've been told not to give you any information," she said.

The Tribune learned through a Freedom of Information request that Glesecke gathered documents on the lobbying activity of Dorgan's wife from the U.S. Justice Department in February.

Meanwhile, Bellevue, Wash., attorney Peter Lind acknowleged Tuesday that he is also a friend of Rand. Lind in October obtained a copy of Dorgan's marriage license from the vital records section of the state of Washington's Department of Social and Health Services. But he denies he was working for Rand and says he was working for a law firm in Portland. He says he can't remember the name of that firm and has not been paid for his efforts.

The Tribune used Washington state's open records law to establish his involvement.

Harrison told The Washington Post Tuesday that he and Rand were also friends.

Page 2

8904073584

:4 AP 08-06-86 12:33 PET 17 LINES
ap-(andrews-lawyer)

(BISMARCK) _ north dakota senator mark andrews says he would join byron dorgan in filing a complaint with the federal election commission if the democratic congressman chose to do so.

andrews says it must be determined who hired detectives to gather information on dorgan.

one named mentioned was that of bert rand, a washington lawyer.

andrews says rand told him that a client had requested public document information on dorgan.

however, the republican senator says rand told him he didn't do political work.

andrews says rand has spoken with dorgan and told the congressman the same thing.

the senator also reiterated that he was not involved in the investigation or the hiring of private detectives.

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Examples of finding information in the Newswire service:

TER:	TO FIND:
ORTION	Stories on a particular subject
OR ARIZ OR ARIZONA	Stories from a particular state
NANCIAL	Stories from the financial wire
NANCIAL BENDIX	Stories about a particular subject on the financial wire
LUMN AND GEORGE WILL	A particular columnist
OLUMN	A list of columns available
AT CHECK	The Washington, D.C. daybook
LIAR-GOL	

R 9 0 4 0 7

AP 08-06-86 12:28 PET 46 LINES

RM-Lawyer-Andrews,420:

Andrews Says He'd Join Dorgan In FEC Complaint:

BISMARCK, N.D. (AP) _ Sen. Mark Andrews said today he would support Rep. Byron Dorgan if the Democratic representative files a complaint with the Federal Election Commission over an investigation of Dorgan's background.

''Neither my (re-election) committee nor I has ever spent one penny to hire private investigators and we never will,'' Andrews said in a statement.

''If Mr. Dorgan files a complaint with the Federal Election Commission, I will join him in this effort. We must get to the bottom of this as soon as possible,'' said Andrews, a Republican who is seeking his second Senate term.

Dorgan has said he is considering filing a complaint with the FEC, saying he believed the investigators were hired with campaign funds without those expenditures appearing on finance reports.

William Butcher, who operates the W.T. Butcher & Associates private detective agency in Bismarck, said a Washington, D.C., attorney had hired him earlier this year to check into Dorgan's background.

That attorney, Marion E. Harrison, was forced to resign from his

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law firm Mres ?

r., said the firm believed Harrison's action was wrong.

Harrison told The (Fargo) Forum he had been retained by Washington attorney Bert Rand to hire Butcher's detective agency. Rand has declined comment on the matter, but Andrews said Rand told him he did nothing more than gather documents on Dorgan that were already public record.

''I have known Bert Rand for some time ... When I saw his name mentioned in connection with a story regarding alleged political snooping in North Dakota, I called him to ask what the situation was,'' Andrews said.

''(Rand) stated he didn't do political work. A client had requested a compilation of public document information regarding Congressman Dorgan and he had done that,'' Andrews said.

Rand told him he had spoken with Dorgan and told the congressman the same thing, Andrews said.

Layton Freborg, chairman of the North Dakota Republican Party, said the possibility of an FEC investigation did not disturb him.

''I am just not involved and don't know anybody who is. I just have nothing to hide,'' Freborg said.

Freborg said Democrats were ''making a mountain out of a molehill'' out of the situation.

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''He's very nervous,'' Freborg said of Dorgan. ''I doubt very much that anyone with a clean slate ... would be very concerned.''

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~~Examples of finding information in the Newswire service:~~

ER: TO FIND:

Dorgan could file complaint with FEC

CONTINUED FROM PAGE 1A

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Making the connections

BERT RAND: Attorney who hired others to do investigations. He is a friend of Sen. Mark Andrews and his son worked as an aide to Andrews until January. The senator denies he knows anything about the investigations.

MARION HARRISON: Lawyer who admits he hired W.T. Butcher and Associates, Bismarck private eyes, to investigate Dorgan. He says he was hired by Rand.

FRITZ GIESECKE: Lawyer who obtained documents on Mrs. Dorgan's lobbying activities. Works with Rand in same Washington law office.

BUTCHER and Associates of Bismarck. Private investigators tried to obtain information about both Dorgan and Andrews' opponent, Kent Conrad.

PETER LIND: Washington state attorney who obtained Dorgan's marriage license. He admits he knows Rand. Sources say they are friends.

Big Ass Story

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AP 08-06-86 08:52 PET 66 LINES
AM-Lawyer-Andrews, ND Bjt,5
Andrews Repeats Denial Of Involvement In Detective-Agency Probe:

BISMARCK, N.D. (AP) _ Sen. Mark Andrews said Wednesday he had no role in a detective-agency investigation of Rep. Byron Dorgan, and said it appeared Dorgan was exaggerating the affair in an attempt to damage him politically.

''I'm categorically saying I had nothing to do with this so-called political investigation,'' Andrews said.

Andrews, R-N.D., was questioned during a news conference in Washington, D.C., about the probe and his friendship with Bert Rand, a Washington attorney who has said he helped to hire the detective agency who investigated Dorgan.

At the news conference, which was linked by telephone to North Dakota news media, the senator repeated a statement he made Wednesday morning that he would be willing to join Dorgan in asking for a Federal Election Commission investigation of the affair.

Dorgan, D-N.D., and state Tax Commissioner Kent Conrad said Wednesday they were considering asking for such a probe. Conrad is opposing Andrews' bid for a second Senate term, while Dorgan is running against Republican Syver Vinje in a bid for a fourth House term.

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Dorgan said political campaign funds may have been used for the investigation without the expenditure appearing on a campaign finance report.

Rand has told Andrews and Dorgan he hired Washington attorney Marion E. Harrison in connection with a client's request to check Dorgan's background.

Harrison in turn hired W.T. Butcher & Associates, a Bismarck detective agency. One agency investigator asked for a copy of part of the court files from Dorgan's second divorce.

Andrews said he first met Rand more than 20 years ago, when Rand was representing a company that was looking into establishing a meatpacking plant in West Fargo. He described Rand as ''one of my better friends'' and said Rand's son once worked for him on the staff of the Senate Budget Committee.

He did not know of Rand's involvement in the Dorgan investigation until he read about it in the newspapers earlier this week, Andrews said. Rand has declined to comment to The Associated Press.

''I called (Rand) and said, 'What the heck is going on, what is behind all of this,''' Andrews said. Rand told him not to worry about the matter, saying he was working for a private client, Andrews said.

''Bert doesn't open up,'' Andrews said. ''I don't know who he

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Andrews said Rand's actions disturbed him, but the senator answered questions about him calmly and said he was not outraged at Rand.

Asked if he believed Dorgan and Conrad were playing up the affair to try to damage his political fortunes, Andrews replied, ''Well, it certainly seems that way.''

''They're the ones that talk about a $100,000 figure,'' said

Andrews, referring to Dorgan's estimates of the cost of the investigation of him.

Rand told Andrews he had been instructed to collect information on a member of the House Ways and Means Committee whose wife was a lobbyist for foreign timber interests. Dorgan is a member of that committee, and his wife, Kimberly Olson, lobbies for the Canadian timber industry.

The senator said he saw nothing wrong with collecting information already on the public record.

"As long as they were looking for public documents ... they're available to all of us," Andrews said.

"If they were wiretapping, if they were shadowing or something like that ... Bert Rand would no longer be my friend," Andrews said.

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Examples of finding information in the Newswire service:

TER:	TO FIND:
ORTION	Stories on a particular subject
OR ARIZ OR ARIZONA	Stories from a particular state
NANCIAL	Stories from the financial wire
NANCIAL BENDIX	Stories about a particular

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last story

7 AP 08-06-8 09:53 PET 68 LINES

AM-Lawyer-Andrews, 1st Ld-Wr thru,580:

Eds: SUBS 3rd graf pvs, ''Andrews, R-N.D.... and 7th graf pvs, ''Rand has told... to fix attribution. Picks up 8th graf pvs, ''Harrison in turn...''

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Andrews said he first met Rand more than 20 years ago, when Rand was representing a company that was looking into establishing a meatpacking plant in West Fargo. He described Rand as ''one of my better friends'' and said Rand's son once worked for him on the staff of the Senate Budget Committee.

He did not know of Rand's involvement in the Dorgan investigation until he read about it in the newspapers earlier this week, Andrews said. Rand has declined to comment to The Associated Press.

''I called (Rand) and said, 'What the heck is going on, what is behind all of this,''' Andrews said. Rand told him not to worry about the matter, saying he was working for a private client,

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8 AP 08-07-86 02:02 AET 74 LINES
BC-House Textile Roll Call, 1st Add,390:
WASHN: Whittaker, no.
KENTUCKY=
Democrats _

0 AP 08-06-86 08:52 PET 66 LINES
AM-Lawyer-Andrews, ND Bjt,5
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Examples of finding information in the Newswire s

8904073159

9 AP 08-06-86 06:48 PET 22 LINES
ap-(andrews-lawyer)
(t o p s with andrews news conference)

F

(bismarck) _ senator mark andrews is insisting he doesn't have any idea who instigated an investigation by a private detective agency against congressman byron dorgan.

andrews says it also appears dorgan and tax commissioner kent conrad are trying to exploit the incident for political gain.

andrews was questioned at a news conference this afternoon about the investigation and his own ties to washington attorney bert rand.

rand has admitted that he helped hire a bismarck detective agency to look into dorgan's background.

andrews says rand is a friend of his. and he says he knew nothing about rand's actions until he read about them in the newspapers.

andrews says he called rand to ask him what was going on--and he says rand told him his actions were on behalf of a client. andrews said rand did not tell him who the client was.

andrews says he's disturbed by the incident--but says he's not outraged at rand.

the senator repeated his assertion that he'd welcome a federal election commission investigation in the matter.

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Examples of finding information in the Newswire service:

TER: TO FIND:

ORTION

8 AP 08-06-86 04:23 PET 90 LINES
AM-ND Dirty Tricks,830:
Private Investigators Probed Backgrounds of Two North Dakota Democrats:
By RICHARD L. VERNACI=
Associated Press Writer=

BISMARCK, N.D. (AP) _ North Dakota Sen. Mark Andrews, whose re-election is crucial to Republican hopes of holding a Senate majority, sought Wednesday to avoid being tainted by an anonymous campaign of political dirty tricks against two Democratic candidates.

The campaign _ involving blind mailings to reporters and the use of private detectives to pry into the Democrats' lives _ remains shrouded in mystery. But the cloud was partially lifted this week when a prominent Washington law firm forced one its founding partners to resign after learning that he had hired the private investigators.

Andrews and state GOP officials deny knowledge of the investigations or mailings, directed against Kent Conrad, Andrews' Democratic challenger, and Rep. Byron L. Dorgan, a popular Democrat seeking re-election and a likely Senate contender in 1988.

''Neither my committee nor I has ever spent one penny to hire

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private investigators to investigate our opponents and we never will,'' Andrews said in a statement Wednesday.

Conrad called it ''sleazy business'' and said he and Dorgan are ''totally committed to finding out who's responsible.'' Dorgan said ''there are Republican fingerprints all over this,'' including the detective agency's investigation of his two divorces and the background of his third wife, a Canadian citizen who is a Washington lobbyist for the Canadian timber industry.

Newspapers and other media organizations have received anonymous mailings, including courthouse and government documents, relating to these subject matters.

The detective agency, W.T. Butcher & Associates Ltd. of Bismarck, was hired in March by Washington lawyer Marion Edwyn Harrison, a founding partner of a law firm headed by former Senate Republican leader Hugh Scott of Pennsylvania. The firm, engaged in lobbying and corporate law, demanded Harrison's resignation Monday and apologized for his actions.

''This is something that we are very uncomfortable with,'' said Alexander J. Pires Jr. of the law firm. ''We don't want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman.''

Harrison was not at his office on Wednesday. Associates said he

SS RETURN TO CONTINUE OR ENTER A REQUEST.

was out of town and left no forwarding number. Earlier, however, he told The Washington Post that he had contacted the Butcher agency at the request of a friend, Bert Rand, another Washington attorney who works at a separate firm. ''I don't know what it's all about,'' Harrison told the Post. ''Bert is a good friend and we often refer business to each other.''

Rand's secretary said that he, too, was out of town and could not be reached.

Butcher said Tuesday that Harrison hired him in March to gather background information on Dorgan. Butcher, confronted earlier by a reporter about some of the activities of his agents, initially declined to identify his client but said he was doing so now because Harrison had acknowledged the arrangement.

Harrison did not request any material on Conrad, Butcher said, and ''our firm has never investigated Conrad.''

However, David Thompson, news director for radio station KCND in Bismarck, said one of the investigators from Butcher's agency, Dan Houfek, contacted him a couple of months ago asking for a tape recording of a Conrad news conference.

Butcher said he did not know why Houfek asked for the tape.

''I have heard from a half a dozen sources over the months that Mr. Butcher or employees of his firm have been snooping around

SS RETURN TO CONTINUE OR ENTER A REQUEST.

about Kent and myself,'' Dorgan said. ''Its entire connection is to the political campaign; I'm certain of that.''

Andrews, state Republican Chairman Layton Freborg, and Dorgan's opponent, Syver Vinje, all said they had no knowledge of who was responsble. ''I can assure you that it is not the North Dakota Republican Party,'' Freborg said. Andrews said ''That's not the way we do business in North Dakota.''

Cletus Schmidt, an investigator who joined the firm in 1985, copied part of the file on Dorgan's divorce from his second wife, Judy, according to records at the South Central District Court Clerk's office.

Envelopes containing copies of government documents were mailed anonymously to newspapers to call their attention to activities of Dorgan's current wife, Kimberly Sue Olson.

Dorgan acknowledges that he failed to mention his wife's employer on his 1985 financial disclosure form, which he filed last May. He said the omission was a mistake.

Copies of newspaper clippings, also mailed anonymously to media outlets, bear the mark of a clipping service in Grand Forks, and alongside that is the number 66, Dorgan said. That is the account number for the North Dakota Republican Party, he said.

Freborg said it was possible the clippings came from the party's

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files, which are open to anyone who is a Republican. He did not know who made copies of those clippings, he said.

ASE ENTER A REQUEST.

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Examples of finding information in the Newswir

9 AP 08-06-86 07:39 PET 82 LINES
AM-ND Dirty Tricks, 1st Ld-Writethru, a0717,830:
Private Investigators Probed Backgrounds of Two North Dakota Democrats:
Eds: SUB 5th graf to CORRECT Dorgan's wife not a Canadian bgng: ''Conrad called...
By RICHARD L. VERNACI=
Associated Press Writer=

BISMARCK, N.D. (AP) _ North Dakota Sen. Mark Andrews, whose re-election is crucial to Republican hopes of holding a Senate majority, sought Wednesday to avoid being tainted by an anonymous campaign of political dirty tricks against two Democratic candidates.

The campaign _ involving blind mailings to reporters and the use of private detectives to pry into the Democrats' lives _ remains shrouded in mystery. But the cloud was partially lifted this week when a prominent Washington law firm forced one its founding partners to resign after learning that he had hired the private investigators.

Andrews and state GOP officials deny knowledge of the investigations or mailings, directed against Kent Conrad, Andrews' Democratic challenger, and Rep. Byron L. Dorgan, a popular Democrat

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seeking re-election and a likely Senate contender in 1988.

''Neither my committee nor I has ever spent one penny to hire private investigators to investigate our opponents and we never will,'' Andrews said in a statement Wednesday.

Conrad called it ''sleazy business'' and said he and Dorgan are ''totally committed to finding out who's responsible.'' Dorgan said ''there are Republican fingerprints all over this,'' including the detective agency's investigation of his two divorces and the background of his third wife, who is a Washington lobbyist for the Canadian timber industry.

Newspapers and other media organizations have received anonymous mailings, including courthouse and government documents, relating to these subject matters.

The detective agency, W.T. Butcher & Associates Ltd. of Bismarck, was hired in March by Washington lawyer Marion Edwyn Harrison, a founding partner of a law firm headed by former Senate Republican leader Hugh Scott of Pennsylvania. The firm, engaged in lobbying and corporate law, demanded Harrison's resignation Monday and apologized at he had contacted the Butcher agency at the request of a friend, Bert Rand, another Washington attorney who works at a separate firm. ''I don't know what it's all about,'' Harrison told the Post. ''Bert is a good friend and we often refer

SS RETURN TO CONTINUE OR ENTER A REQUEST.

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Wat Story

☐ Attorney

(Continued from Page A1)

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The Washington Post today quoted Harrison as saying he hired Butcher at the request of Washington attorney Bert Rand.

"I don't know what it's about," Harrison told the newspaper. "Bert is a good friend and we often refer business to each other."

Harrison described Rand as someone who was to his knowledge never politically active, the Post said. Rand has not been reached for comment.

Conrad and Dorgan have said they believed the investigation was politically motivated but did not know who was behind it.

Dorgan said Tuesday he had not heard of Harrison until recently and his departure from the law firm did not settle the matter of who ultimately is responsible for hiring the detectives.

"I think it's important to find out who has been involved in these campaign dirty tricks," Dorgan said. "I expect we'll discover who that was."

Pires said that Harrison acknowledged hiring the detectives but refused to reveal who retained him to do so.

"He said that he had retained Butcher & Associates to do an investigation of the congressman," Pires said.

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

"The partnership has never undertaken, requested, or approved of an investigation of Congressman Dorgan or any member of Congress," the law firm said in a statement. "The members of the law firm feel strongly that this kind of tactic is wrong and has no place in the political system."

The law firm, founded by former Sen. Hugh Scott, R-Pa., is engaged largely in lobbying and corporate law, Pires said.

Although some law firms do hire private investigators to help gather information for their clients, the nature of the Scott firm's practice does not involve that, Pires said.

"We do not have any (investigators) on our staffs and we do not hire investigators," he said.

Harrison was a member of the law firm when it formed two years ago," Pires said.

The firm has changed its name to Scott, McLeod, Himmelberg, Matz, Pires and Price, Pires said.

It already has ordered new stationery and was preparing the change the sign on the door right away, he said.

Harrison represented a group of milk cooperatives and handled campaign contributions from them to former President Richard Nixon's re-election campaign in 1971.

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THE BISMARCK TRIBUNE

Tuesday, August 19, 1986 ☐ Vol. 113, No. 231 ☐ Bismarck/Mandan, N.D. ☐ Committed To Excellence

Newsstand price — 35 cents
Home delivery — 29 cents

Lawyer 'clears' Andrews in Dorgan File

By GERRY GILMOUR
Tribune Staff Writer

Attorney Bert Rand collected and mailed information on North Dakota Rep. Byron Dorgan only to call attention to the lobbying activities of Dorgan's wife – not to influence an election, his attorney said today.

The statement, the first to identify who sent the material to North Dakota newspapers, would appear to clear Republican Sen. Mark Andrews, a close friend of Rand, of any involvement in the "Dorgan File."

"There's no common sense linking him to this," said J. Jonathan Schraub, Rand's attorney.

Rand, a Washington, D.C., attorney, has had a 30-year association – socially, politically and professionally – with U.S. timber interests. Schraub said Rand initiated the investigation of Dorgan only because Kimberly Sue Olson, Dorgan's wife, had lobbied members of the House Ways and Means Committee on behalf of Canadian timber interests fighting a trade proposal.

Vinje goes after Dorgan (2B)

Dorgan, a member of that committee, voted against the positions advocated by his wife.

Rand had packages mailed to The Washington Times, The Bismarck Tribune and The Fargo Forum earlier this summer containing Dorgan's marriage license, documentation of her lobbying activities, and press clippings about the congressman's sensitivity about his marriage and personal life.

The Tribune used the information to do a story on Dorgan's lobbyist wife, then set out to trace the documents in the package.

"Nobody paid him. There was no client," Schraub said of the investigation by Rand. "But he along with about 50,000 other people in the Northwest shares a concern with the health and vitality of the U.S. timber industry."

Schraub said that Rand first inquired into who Kimberly Olson was after he saw her mentioned in a timber industry publication as working on behalf of the Canadi[an] timber industry. That, he said, [led] to having Bellevue, Wash., attorn[ey] Peter Lind, a friend of Rand, obtain a copy of [the] marria[ge] license.

Fritz Gieserke, Ran[d's] law partner, later photocopied records [at] AMCU Associates, Kimberly [and] Olson's lobbying firm, from U[.]S. Justice Department [files].

(More on LAWYER, Page 10A)

Cont on Page 2

Dorgan could file complaint with FEC

CONTINUED FROM PAGE 1A

against a trade proposal before Dorgan's House Ways and Means Committee.

Some material in the package was assembled last fall when it was widely speculated that Dorgan would run against Andrews for the Senate seat.

Andrews said that he called Rand Tuesday when he learned his friend had hired attorney Marion Harrison to investigate Dorgan. Harrison was ousted by his colleagues Monday from a prominent Washington, D.C. law firm when his involvement in the investigation surfaced.

"When I saw his name mentioned in connection with the story regarding alleged political snooping in North Dakota, I called him to ask what the situation was," Andrews said this morning. "He stated that he didn't do political work. A client had requested a compilation of public document information on Congressman Dorgan and he had done that."

Harrison, a GOP attorney who was involved in the 1971 Milk Fund scandal, hired Bismarck detective William Butcher to investigate Dorgan and Conrad. The Washington Post reported this morning that Harrison paid the detective firm $3,000 for the probe.

Andrews said Rand will meet next week with Dorgan to discuss who might be behind the investigation.

"Let me make it perfectly clear to the thousands of contributors we have across North Dakota that neither my committee nor I have even spent one penny to hire private investigators to investigate our opponents. I hope all other candidates can say the same thing," Andrews said. "If Mr. Dorgan files a complaint with the Federal Election Committee I will join him in the effort. We must get to the bottom of this as soon as possible."

Tim Burke, Andrews' press secretary, said the Senator "is not going to get involved in speculation" as to who is behind the Dorgan Papers.

Some sources say a corporation or industry may have been behind the effort to damage Dorgan, and point to timber interests.

Rand was in Portland, Ore., today and was unavailable for comment. The secretary for Rand and his law partner, Fritz Glesecke, said she couldn't comment on the relationship between Rand and Andrews. "I don't know what's going on but I've been told not to give you any information," she said.

The Tribune learned through a Freedom of Information request that Glesecke gathered documents on the lobbying activity of Dorgan's wife from the U.S. Justice Department in February.

Meanwhile, Bellevue, Wash., attorney Peter Lind acknowleged Tuesday that he is also a friend of Rand. Lind in October obtained a copy of Dorgan's marriage license from the vital records section of the state of Washington's Department of Social and Health Services. But he denies he was working for Rand and says he was working for a law firm in Portland. He says he can't remember the name of that firm and has not been paid for his efforts.

The Tribune used Washington state's open records law to establish his involvement.

Harrison told The Washington Post Tuesday that he and Rand were also friends.

Page 2

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8900736 MINOT 8/17/86

Senators deny involvement in Dorgan probe

By STEVE ADAMS
Daily News Washington Bureau

WASHINGTON — North Dakota's two senators got immersed Wednesday in the Byron Dorgan "dirty tricks" story, and both denied having anything to do with it.

Republican Mark Andrews revealed at a press conference that he is a personal friend of the attorney who arranged through another lawyer to have a private investigator check Dorgan's marriage and divorce records.

"He is one of my better friends," Andrews said of Bert Rand, a Washington attorney linked to the private investigation of the Democratic congressman.

But Andrews insisted he had nothing to do with the probe and didn't learn of Rand's involvement until he saw his name in a newspaper story.

"I'm categorically saying I had nothing to do with this . . . investigation of Congressman Dorgan," Andrews said.

In denying any involvement, Andrews said he hadn't ruled out the possibility that Democrats had engineered the probe to embarrass him. He twice suggested that he was no more likely than Sen. Quentin Burdick, D-N.D., to have ordered the investigation.

"I doubt people can tie this one to me any more than they can tie it to Quentin Burdick, or anyone else," Andrews said.

Dorgan is considering a bid for Burdick's Senate seat in 1988.

Burdick reacted angrily to news that his name had surfaced during Andrews' conference.

"Why he brought me into it is beyond me," Burdick snapped. "It sounds pretty pathetic and feeble to me. . . . He probably didn't mean it, but he said it," Burdick said, adding that Andrews' remarks were "insulting."

Andrews said he talked to Rand this week and was told that the investigation of Dorgan was for one of

See PROBE — Page A12

cont on next page

8/17/86 MINOT

How to simplify the farm program

Representative Dorgan on July 22nd, stated "The present farm program is ridiculously complicated — incredibly expensive and is ineffective in protecting family farmers." What and who is a family farmer? Does that term mean the same in the Red River Valley as in Western North Dakota? Does it mean the same for the part-time farmer as for the farmer whose wife and he both work on the farm full time? Or the farmers (relatives) who band together in one large operation? Does it mean the same for the farmer with a lot of natural ability and ambition versus the farmer whose goals are not so high? We all have various talents and goals. That is what made America a good place to live. I know I would not want to play God and determine this.

To alleviate the ridiculously complicated part, why not have a farm program based on percent of cultivated acres with a marketing card figured on the domestic consumption at 125 percent of the cost of production (including land cost) with the farmer selling at market price or storing at his own expense the rest of the crop?

This would eliminate a lot of administrative cost and it should take the government out of the storage and loan programs. It would only be a direct subsidy, as is the case in some other segments of our industries. I would hope it would cost a lot less.

I am not writing about the sugar, cotton or other crops of our ag economy, only wheat and feed grains and maybe the oil crops. — John Lee, Berthold

☐ Probe

(Continued from Page A1)

his clients. Rand specifically denied that it was a politically motivated probe, the senator said.

He quoted Rand as saying "it isn't a political deal; I don't do political things."

Andrews said he did not ask Rand who the client was. But he said he asked Rand to speak with reporters, which he has not done.

Washington attorney Marion Harrison has said Rand hired him to help investigate Dorgan. Harrison in turn hired a Bismarck detective agency that has been looking into records connected to Dorgan, including files from his two divorces.

Harrison resigned from his Washington law firm this week after his involvement in the Dorgan matter became public.

Some of the inquiries by Rand and his detectives apparently focused on Dorgan's wife, Kimberly Olson, a registered lobbyist, and her work for Canadian timber interests. North Dakota news agencies received anonymous mailings in June that included material alleging that Olson's work constituted a conflict of interest.

Democrats have said the investigation, which included the use of a Bismark private detective, smacks of dirty politics. In a statement this morning, Burdick said he deplored "these seamy political tactics."

Andrews said he would join Dorgan in a complaint with the Federal Elections Commission if the congressman decided to file one. Dorgan said Wednesday that he and U.S. Senate candidate Kent Conrad were considering a complaint, alleging failure to report election-related expenditures, in an attempt to find out who paid for the private investigation.

"Let me make it perfectly clear to the thousands of contributors we have across North Dakota," Andrews said. "Neither my committee nor I have ever spent one penny to hire private investigators to investigate our opponents, and never will."

Andrews said the use of anonymous mailings was "certainly deplorable." But he declined to condemn the private investigation outright.

"I think if it's being done for political purposes, we want to get to the bottom of it," said Andrews. "If it's a business thing, then I think it's different."

"How it's used is what determines whether it's right or wrong," he said.

Andrews noted that the detectives apparently did not use illegal methods. "This goes on — people have run checks on me," the senator said.

Andrews said he first met Rand in the 1950s, when Rand represented a planned meat packing plant in North Dakota. He normally sees Rand about once every four or five months, he said.

Rand's son, John, worked for Andrews on the Senate Budget Committee until January, and the senator and his wife traveled with Mr. and Mrs. Rand for several days in Europe last year, he said.

Andrews described Rand as "one of my better friends" and as someone he'd known "on a very casual basis."

Asked if he believed Dorgan and Conrad were playing up the affair to try to damage him, Andrews replied, "Well, it certainly seems that way."

"They're the ones that talk about a $100,000 figure," said Andrews, referring to Dorgan's estimates of the cost of the investigation of him.

Andrews said he saw nothing wrong with collecting information already on the public record, but "if they were wiretapping, if they were shadowing or something like that ... Bert Rand would no longer be my friend."

Burdick said he supported both Conrad and Dorgan and "would never be involved in any underhanded attempt to somehow discredit these two fellow Democrats."

cont. story

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Today

Firm fires lawyer for hiring detectives to probe Dorgan

By RICHARD L. VERNACI
Associated Press Writer

WASHINGTON (AP) — A law firm engaged in lobbying forced one of its founding partners to resign because he hired private detectives to investigate Rep. Byron Dorgan, D-N.D., a spokesman for the firm said Tuesday.

"This is something that we are very uncomfortable with," said spokesman Alexander J. Pires Jr. "We don't want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman."

Marion Edwyn Harrison, a founding partner in the firm Scott, Harrison and McLeod, was asked to resign during a meeting of the partners convened late Monday in the wake of discovering he had hired detectives in Bismarck, N.D., Pires said.

Private investigators from W.T. Butcher & Associates Ltd. have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad.

Butcher said Tuesday that Harrison hired him in March to gather background information on Dorgan. Butcher had initially declined to identify his client but said he was doing so now because Harrison had acknowledged the arrangement.

Butcher said he did not know when the investigation ended and declined to reveal the contents of his report to Harrison beyond saying that he provided Harrison with copies of transcripts from Dorgan's two divorces.

"He did not identify his client, but he said most of his practice involved agricultural interests," Butcher said in Bismarck.

Harrison did not request any material on Conrad, Butcher said.

"Our firm has never investigated Conrad," he said.

However, David Thompson, news director for KCND Radio in Bismarck, said one of the investigators from Butcher's agency, Dan Houfek, contacted him a couple of months ago asking for a tape recording of a Conrad news conference.

Butcher said he did not know why Houfek asked for the tape.

Conrad and Dorgan have said they believed the investigation was politically motivated but did not know who was behind it.

Dorgan said Tuesday he had not heard of Harrison until recently and his departure from the law firm did not settle the matter of who ultimately is responsible for hiring the detectives.

"I think it's important to find out who has been involved in these campaign dirty tricks," Dorgan said. "I expect we'll discover who that was."

Harrison was out of his office Tuesday and was not immediately available for comment.

Pires said that Harrison acknowledged hiring the detectives but refused to reveal who retained him to do so.

"He said that he had retained Butcher & Associates to do an investigation of the congressman," Pires said.



Dorgan



Conrad

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

"The partnership has never undertaken, requested, or approved of an investigation of Congressman Dorgan or any member of Congress," the law firm said in a statement. "The members of the law firm feel strongly that this kind of tactic is wrong and has no place in the political system."

The law firm, founded by former Sen. Hugh Scott, R-Pa., is engaged largely in lobbying and corporate law, Pires said.

Although some law firms do hire private investigators to help gather information for their clients, the nature of the Scott firm's practice does not involve that, Pires said.

"We do not have any (investigators) on our staffs and we do not hire investigators," he said.

Harrison was a member of the law firm when it formed two years ago," Pires said.

The firm has changed its name to Scott, McLeod, Hammelberg, Metz, Pires and Price, Pires said.

It already has ordered new stationery and was preparing the change the sign on the door right away, he said.

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JAMESTOWN 8/16/86

Andrews says he'd join Dorgan in FEC complaint

BISMARCK (AP) — Sen. Mark Andrews said today he would support Rep. Byron Dorgan if the Democratic representative files a complaint with the Federal Election Commission over an investigation of Dorgan's background.

"Neither my (re-election) committee nor I has ever spent one penny to hire private investigators and we never will," Andrews said in a statement.

"If Mr. Dorgan files a complaint with the Federal Election Commission, I will join him in this effort. We must get to the bottom of this as soon as possible," said Andrews, a Republican who is seeking his second Senate term.

Dorgan has said he is considering filing a complaint with the FEC, saying he believed the investigators were hired with campaign funds without those expenditures appearing on finance reports.

William Butcher, who operates the W.T. Butcher & Associates private detective agency in Bismarck, said a Washington, D.C., attorney had hired him earlier this year to check into Dorgan's background.

That attorney, Marion E. Harrison, was forced to resign from his law firm Monday. Its partners, of which Harrison was one, have since reorganized and renamed the firm. A spokesman, Alexander J. Pires Jr., said the firm believed Harrison's action was wrong.

Harrison told The (Fargo) Forum he had been retained by Washington attorney Bert Rand to hire Butcher's detective agency. Rand has declined comment on the matter, but Andrews said Rand told him he did nothing more than gather documents on Dorgan that were already public record.

"I have known Bert Rand for some time ... When I saw his name mentioned in connection with a story regarding alleged political snooping in North Dakota, I called him to ask what the situation was," Andrews said.

"(Rand) stated he didn't do political work. A client had requested a compilation of public document information regarding Congressman Dorgan and he had done that," Andrews said.

Rand told him he had spoken with Dorgan and told

See COMPLAINT on page 2

COMPLAINT—

Continued from page 1

the congressman the same thing, Andrews said.

Layton Freborg, chairman of the North Dakota Republican Party, said the possibility of an FEC investigation did not disturb him.

"I am just not involved and don't know anybody who is. I just have nothing to hide," Freborg said.

Freborg said Democrats were "making a mountain out of a molehill" out of the situation.

"He's very nervous," Freborg said of Dorgan. "I doubt very much that anyone with a clean slate ... would be very concerned."

JAMESTOWN 8/16/86

'Keep it clean' Dorgan says at hearing

Congressman Byron Dorgan testified Tuesday before a congressional grain quality hearing and urged Congress to adopt clean grain standards making it illegal to add dirt and other materials to grain before shipping it to foreign countries.

"Grain that leaves the country elevator clean should arrive in foreign countries clean," Dorgan said. "But that's not always the case. U.S. government standards allow exporters to add dirt and other material to grain in larger amounts than most of our allies who compete in the international grain market. I think it ought to be flat out illegal to add anything to grain at the docks."

Dorgan said complaints about the quality of American grain are increasing. He said two of America's biggest competitors — Australia and Canada — have stiffer requirements.

Canadian and Australian wheat are estimated to be 99 percent millable with only one percent of dockage, damaged kernels and foreign material. Less than 95 percent of American export wheat was millable in 1984."

A bill Dorgan introduced last year to outlaw tampering with grain was included in the House version of the 1985 farm bill. It was deleted from the final farm bill passed by Congress in December 1985.

Tuesday's hearing was before a joint session of two House agriculture subcommittees — the Wheat, Soybeans and Feed Grains Subcommittee and the USDA Operations, Research and Foreign Agriculture Subcommittee.

8 The Dickinson Press Wednesday, August 6, 1986

Washington attorney fired for Dorgan investigation

By RICHARD L. VERNACI
Associated Press Writer

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quoted by the Tribune.

"She's not, by any mean[illegible] a high-rolling lobbyist," sai[illegible] Rufus Yerxa, an aide to the Ways a[illegible]Means Committee's trade subcom[illegible]tee.

"She was not too effective," he said.

The subcommittee recommended passage of the bill, which also won the approval of the full committee, the newspaper said.

Dorgan voted for the trade bill, The Tribune said.

7 AP 06-30-86 01:24 AET 21 LINES
BC-Antenna Accident,160:
Eds: Identifies victim:
Man Killed, Another Injured While Erecting Radio Antenna:

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ap-(andrews-lawyer)
(t o p s to clarify that news conference in washington)

(bismarck) _ senator mark andrews is insisting he doesn't have any idea who instigated an investigation by a private detective agency against congressman byron dorgan.

andrews says it also appears dorgan and tax commissioner kent conrad are trying to exploit the incident for political gain.

andrews was questioned at a news conference in washington this afternoon about the investigation and his own ties to washington attorney bert rand. north dakota reporters participated in the call via a telephone hookup.

rand has admitted that he helped hire a bismarck detective agency to look into dorgan's background.

andrews says rand is a friend of his. and he says he knew nothing about rand's actions until he read about them in the newspapers.

andrews says he called rand to ask him what was going on--and he says rand told him his actions were on behalf of a client. andrews said rand did not tell him who the client was.

andrews says he's disturbed by the incident--but says he's not outraged at rand.

SS RETURN TO CONTINUE OR ENTER A REQUEST.

the senator repeated his assertion that he'd welcome a federal election commission investigation in the matter.

when asked if dorgan and conrad were trying to exploit the incident, andrews replied, ''it certainly seems that way.''

conrad is running against andrews for his u-s senate seat.

ASE ENTER A REQUEST.

~~Examples of finding information in the Newswire service:~~

~~FFR:~~

AP: [illegible]-30-86 01:24 AET
BC-Dorgan-Wife, ND Bjt,640:
Dorgan's Wife Lobbies Cong[illegible]s F[illegible] Timber Interests:
Eds: Only version planned:

BISMARCK, N.D. (AP) _ The wife of Rep. Byron Dorgan, D-N.D., is registered to lobby as a foreign agent, representing timber interests in Canada and the United States, the couple said.

Kimberly Sue Olson, as a consultant for APCO Associates, a Washington, D.C., consulting firm, lobbied extensively in 1985 against legislation designed to protect the American lumber industry from Canadian imports, The Bismarck Tribune reported in its Sunday editions.

The newspaper said an anonymous sender mailed a packet from Seattle which contained government documents detailing Mrs. Dorgan's work for APCO and activities of the firm, a subsidiary of the law firm Arnold and Porter.

Dorgan said the story tried to make his wife's work appear improper. Mrs. Dorgan has been working on international trade issues for five years, he said.

''The main thing was my wife was doing this kind of work before I married her,'' Dorgan said in a telephone interview Sunday. ''There's nothing improper about it at all.''

SS RETURN TO CONTINUE OR ENTER A REQUEST.

The couple married in April 1985, and Mrs. Dorgan, 27, retains her maiden name on the job, she said.

It was Dorgan's third marriage.

APCO is required by law to register some employees as foreign agents, Dorgan said.

APCO represents Canadian lumber interests which want to limit U.S. restrictions on timber trade, The Tribune said. Among its other foreign interests are the Canadian Meat Council, Korean Traders Association and the Chilean National Copper Corp., according to the paper.

In a telephone interview Sunday, Mrs. Dorgan said she devoted fewer than 5 hours a week to lobbying on Capitol Hill. Much of her time is spent developing governmental affairs strategies for clients, analyzing trade policy proposals and trying to decide how and if legislation would affect clients, she said.

APCO represents both foreign and domestic concerns, Mrs. Dorgan said, adding that she works largely on timber-related issues.

The firm is ''very active on the free-trade stance,'' she said.

Documents cited by the newspaper said APCO contacted dozens of officials to lobby against trade restrictions during the last half of 1985, including Dorgan's aide, Donna Feinberg.

Mrs. Dorgan said she could not remember whether she or one of

SS RETURN TO CONTINUE OR ENTER A REQUEST.

three colleagues who also work on trade issues contacted her husband's office on the matter.

''I simply don't recall,'' she said. ''As a general policy, I don't have any contact with Byron's office.''

The couple is very conscious of avoiding the appearance of conflict of interest, she said.

''I don't work on issues that will conflict with his position or with the interests of North Dakota,'' she said.

Exhibit 5



SEN. MARK ANDREWS
... "will join" Rep. Dorgan if he files FEC complaint

Detective Hired by Senator's Friend

Andrews Denies Knowing of Probe of North Dakota Democrats

By James R. Dickenson
Washington Post Staff Writer

The Washington lawyer who hired a private detective to investigate Rep. Byron L. Dorgan (D-N.D.) and Kent Conrad, the North Dakota Democratic Senate candidate, is a good friend of Sen. Mark Andrews (R-N.D.), Andrews confirmed yesterday, but he denied any knowledge of the probe.

Andrews termed "ridiculous" the idea that he would be involved in such a project, which North Dakota Democrats have assailed as Watergate-style dirty tricks. Andrews said that if Dorgan files a complaint with the Federal Election Commission, as is being considered, he "will join him in that effort." Andrews is running for reelection in November against Conrad, a Dorgan protege and his successor as North Dakota's tax collector.

The lawyer responsible for hiring the Bismarck private detective agency that investigated Dorgan and Conrad was Bert Rand, whose son worked on Capitol Hill for Andrews for more than two years. Rand is in Oregon and could not be reached, but Andrews said he had spoken with him by phone and that Rand assured him that he did not do "political" work and that the investigation was at the request of one of Rand's clients.

Andrews said he had no idea who Rand's client was and that he didn't ask when they talked yesterday. Andrews said their friendship dated from the 1950s and that he had asked Rand to meet with reporters but had gotten no commitment.

Marion E. Harrison, the Washington attorney who contacted the private investigator in Bismarck on Rand's behalf, also denied any knowledge of Rand's client. Harrison is leaving his law firm because his partners disapproved of his role in the episode.

"Let me make it perfectly clear to the thousands of contributors we have across North Dakota that neither my committee nor I have ever spent one penny to hire private investigators to spy on our opponents and we never will," Andrews said in a statement yesterday.

Rand's son, John, said yesterday that he had been Andrews' staffer on the Budget Committee for about 2½ years and left in January to enter private law practice. He said he knew nothing of the probe.

Dorgan's political opponents have accused him of conflict of interest because his wife is a lobbyist for a Washington firm whose clients include the Canadian timber industry. She is an American citizen, not a Canadian, as reported Tuesday.

According to Dorgan and Conrad, the first inquiries into Dorgan's private life were made last October when Dorgan was considered Andrews' likely opponent this year. The investigation included compilation of county courthouse documents concerning Dorgan's divorce and remarriage, Justice Department documents on the lobbying activities of his wife's firm and newspaper clippings. The private detectives also gathered material on Conrad's 1984 divorce.

"Dorgan isn't running against me, or vice versa, so what's the percentage for me in hiring a private investigator?" Andrews asked in a telephone interview.

Democrats Allege Dirty Tricks in North Dakota Race for Senate

By James R. Dickenson
Washington Post Staff Writer

BISMARCK—The North Dakota Senate race, critical to Republicans' hopes of keeping control of that chamber, has been clouded by evidence of political dirty tricks aimed at Kent Conrad, the Democratic candidate, and Rep. Byron L. Dorgan (D), who is seeking reelection.

The tricks include hiring a Bismarck private detective agency to investigate the private lives of Conrad and Dorgan and to send North Dakota newspapers and wire service bureaus copies of documents and clippings about the two Democrats. The mailings pertain to their divorces and to the Washington lobbying activities of Dorgan's wife, a Canadian citizen who works for a Washington firm whose clients include the Canadian timber industry.

The mailings allege conflict of interest between Dorgan, a member of the Ways and Means Committee, and his wife.

That these events have occurred is not disputed. Late Monday, a prominent Washington lawyer who had hired the private detectives resigned from his law firm after his partners expressed disapproval of his actions. But who hired the lawyer who hired the detectives remains a mystery. Republicans here deny any connection to the episode.

Conrad and Dorgan said yesterday that they were "actively considering" filing a complaint of failure to report expenditures for purposes of influencing an election with the Federal Election Commission.

"We want to get to the bottom of this and see who's paying for this," Conrad said. "This sleazy business is an ugly turn in North Dakota politics and we're totally committed to finding out who's responsible."

Dorgan said "there are Republican fingerprints all over this" and that the effort was aimed at "destroying the careers of two Democrats."

The Washington attorney involved, Marion E. Harrison, told members of his firm late Monday of his intention to resign effective Oct. 1 because of his role in hiring the detective agency and that he was accepting an offer to become a partner in another law firm.

A source said members of the firm, Scott, Harrison & McLeod, headed by former Senate minority leader Hugh Scott (R-Pa.), told Dorgan that they were "mortified" and "apologetic" about the development and that they didn't know of or authorize the plan. A spokesman for the firm said Harrison would be dropped from its formal name.

During the Nixon administration, Harrison worked with Murray Chotiner, an attorney and longtime friend and ally of Nixon who was associated with Nixon's earliest and most controversial political campaigns. In 1972, Harrison and Chotiner solicited campaign contributions for President Nixon's reelection from milk producers' associations who were granted higher price supports that year.



KENT CONRAD
... assails "this sleazy business"



REP. BYRON L. DORGAN
... sees "Republican fingerprints"

John B. Connally Jr., Nixon's treasury secretary at the time and an advocate of raising milk price supports in return for those producers' contributions to Nixon's campaign, was later charged with accepting bribes totaling $10,000 concerning this deal. Connally was acquitted. Harrison was not accused of any wrongdoing.

This year, at Harrison's instigation, his law firm made payments totaling about $3,000 to the Bismarck detective agency, W.T. Butcher & Associates Ltd. Harrison said he contacted Butcher last March at the request of a friend, Washington attorney Bert Rand, and said that to his knowledge Rand had never been politically active.

"I don't know what it's about," Harrison said. "Bert is a good friend and we often refer business to each other."

Rand was traveling yesterday and could not be reached.

Democratic Party activists here said the investigation apparently began last October when Dorgan, one of the most successful vote-getters in North Dakota history—he won his last two at-large House races with 79 percent and 72 percent of the vote—was considered the likely challenger to Republican Sen. Mark Andrews. Polls showed Dorgan beating Andrews 2 to 1.

Dorgan decided instead to run in 1988 for the seat of Democratic Sen. Quentin N. Burdick. When Conrad, a close associate of Dorgan's who succeeded him as state tax commissioner, decided to run for the Senate, the investigation was widened to include him.

Democrats hope Conrad can unseat Andrews, which would give them a big boost in the effort to win a net of four Senate seats they need to regain control, but he has a tough fight.

A poll by Republican pollster Richard B. Wirthlin shows Andrews with a 26-point lead, 58 percent to 32 percent, but the Minot Daily News State Poll taken in June shows Andrews leading 51 percent to 39 percent. The Minot poll shows Dorgan leading his challenger, Syver Vinje, 80 percent to 13 percent.

Democratic sources here said Rand initially asked a Bellevue, Wash., lawyer to get copies of the marriage license of Dorgan and his wife, Kimberly Sue Olson, from the Snohomish County (Wash.) courthouse. Rand also got documents pertaining to Olson, who is associated with IPCO, a lobbying subsidiary of Arnold & Porter, from the Justice Department's file on foreign lobbyists, the sources said.

Butcher's investigators later got documents pertaining to Dorgan's second divorce from the county courthouse in Bismarck, tried to get tape recordings of a Conrad news conference from a radio station and interviewed acquaintances about Dorgan's and Conrad's private lives.

Last spring, some of the largest North Dakota newspapers received anonymous mailings of this material, which included allegations of conflict of interest involving Dorgan and Olson because she lobbied against a trade proposal before the Ways and Means Committee. Dorgan voted for it.

Andrews, Vinje and state Republican chairman Layton Freborg deny any knowledge of the investigation.

"That's not the way we do business in North Dakota," Andrews said.

Dorgan: Rand story riddled with holes

8/20/82

By GERRY GILMOUR
Tribune Staff Writer

Rep. Byron Dorgan says he isn't convinced that Washington, D.C., attorney Bert Rand was acting independently in his investigation into Dorgan's background.

And this morning the Democrat was in his Bismarck office reviewing a complaint he plans to file with the Federal Election Commission, which names Rand as a respondent and alleges that someone was trying to influence a Congressional election.

Senate candidate Kent Conrad will join Dorgan in the complaint.

Rand's attorney said Tuesday that Rand was only interested in Dorgan because Dorgan's wife, Kimberly Sue Olson, had lobbied Congress on behalf of Canadian timber interests.

Attorney J. Jonathan Schraub said Rand, a close friend of Sen. Mark Andrews, has been politically, socially and professionally involved in the U.S. timber industry for the past 30 years.

But Dorgan says Schraub's story leaves too many unanswered questions.

On Aug. 6, Andrews told reporters he had called his friend when he saw news accounts linking Rand to the investigation. "He stated that he didn't do political work," Andrews said at the time. "A client

(More on DORGAN, Page 10A)

ibune

Dorgan still plans to file complaint

CONTINUED FROM PAGE 1A

had requested public document information on Congressman Dorgan and he had done that."

"Last week we had Sen. Andrews saying that Rand told him he was hired by a client. Now we have Rand's attorney saying there is no client," Dorgan said late Tuesday. "One of those statements is false. This is clearly an issue of deception."

Andrews' press aide, Tim Burke, called reporters for the Fargo Forum and Bismarck Tribune to say that Schraub would speak on behalf of Rand, who is now on a month-long vacation.

Tuesday's statement on behalf of Rand was the first since he and several other attorneys were found to be responsible for the mailing of anonymous packages and letters designed to damage Dorgan.

Schraub also said Rand never authorized but eventually paid $2,200 for W.T. Butcher and Associates, a Bismarck detective agency, to investigate Dorgan. Schraub said Washington, D.C. attorney Marion Harrison — who hired Butcher — was repaid only after Rand learned private eyes had been hired.

That contradicted an earlier letter from Schraub to Robert Dietz, Dorgan's D.C. attorney, which said no one was ever compensated for the investigation.

Schraub said that Butcher's report on Dorgan was shelved.

Investigators from the firm also made inquiries about Conrad, but Schraub said Rand had no interest in Conrad and never received a report on Conrad.

In a joint press release today, Dorgan and Conrad attacked Schraub's account of the investigation.

If the investigation was personal, they asked "why then did Mr. Rand hire another law firm to hire private detectives." Harrison has been quoted in a legal journal as saying his mission was "to insulate the investigation," from Rand.

They also questioned what private detectives in North Dakota could learn about the timber industry, if that was truly Rand's only concern.

"Mr. Rand... would have us believe that an investigation which involved a lawyer on the West Coast, who is a friend Mr. Rand; and attorney on the East Coast, who is an associate of Mr. Rand; a second lawyer on the East Coast, who is hired by Mr. Rand to hire private detectives; was all done at no one's request with no one being compensated and for no purpose other than personal curiousity. Someone is not telling the truth," the statement said. "We intend to pursue this matter until we learn who paid for it and who initiated it."



Photo by Robert Perry of The News

Terri Ford shakes hands with Sen. Mark Andrews, R-N.D., at the Andrews Northwest Area Picnic in Minot Monday evening as her younger sister, Janoah, looks on. Terri told Andrews she'd seen him on a television commercial — "The one on the farm." Terri and Janoah are the daughters of Thelma Ford, Minot.

Andrews wishes 'hyped-up' story would just disappear

By FRANK STROM
Daily News Staff Writer

Sen. Mark Andrews, R-N.D., told a Minot audience that he wishes the Byron Dorgan investigation story would "go away" so the candidates could get back to "talking about the issues."

Andrews said those who know him realize he's "too tight with a nickel" to spend campaign money hiring a private investigator to gather information that's already available as a matter of public record.

He made his remarks at his Northwest Area Family Picnic on the State Fairgrounds Monday night. About 500 people attended.

A search of court and Justice Department records about Dorgan and his wife has been traced back to Washington attorney Bert Rand, a friend of the senator. Rand said Andrews had nothing to do with the records check but has refused to [illegible]

Andrews' election opponent, State Tax Commissioner Kent Conrad, has been linked to Dorgan in news stories about the investigation. The only tie, however, was a request by one of the private investigators for a radio station's tape recording of a Conrad press conference.

The senator said it would be foolish for him to hire an investigator to get a tape because reporters call his office after such an event and play the tape to his staff, asking if Andrews has any comment.

At an afternoon press conference, Andrews said he was "appalled" that a friend of his would spend money to investigate "what are open records anyway."

"With friends like that, one hardly needs enemies," he said.

Much of the investigation centered on Dorgan's wife, who was a lobbyist for Canadian timber interests.

Andrews said he thinks the whole thing has been "hyped up" by a political "smoke-making machine."

On other topics, the senator said the tax reform bill approved Saturday by House-Senate negotiators "gets the tax collector out of your back pocket and lets you decide what you're going to do with your money."

The bill eliminates tax dodges which allow "the fat cats" to pass their tax responsibility on to the "little guy," he said. It also should help agriculture because there will no longer be writeoffs for non-farmers who are in farming just to get the tax benefits.

"That's all over," he said.

See ANDREWS — Page A8

Established 1884

Democrats trying for 'positive' campaign

MINOT 8/19/82

By LAURA McDANIEL
Daily News Staff Writer

Rep. Byron Dorgan and Senate candidate Kent Conrad opened an eight-day campaign tour in Minot this morning.

The two Democrats plan to hit 20 cities, with messages stressing positive solutions, Dorgan said at a press conference. "We've had far too much negative campaigning in this state," he said.

Dorgan said he and Conrad are working together because Conrad is the "finest candidate in decades" to run for the Senate and Dorgan believes in his ability.

Conrad said, as he has in the past, that he sees this election as a "referendum on the economic conditions in North Dakota." Conrad said federal policies are the source of the problems. "We have to make a change if North Dakota wants a chance to prosper.

Both candidates said the tax reform package approved last weekend is "significant," although some of the money from closing loopholes should have gone toward reducing the deficit.

Dorgan predicted the bill would be signed by October. He said the changes do make taxes more fair, but there should be a higher rate for wealthy people rather than one rate for both middle-income and wealthy people.

Dorgan said the hiring of private detectives to investigate his personal life was "the most sordid affair in North Dakota politics."

At a press conference in Bismarck Monday, he said the probe has ...

... to pursue the matter quietly.

"I'd very much like the issue to be over," Dorgan said. "I think it would be unfortunate for North Dakota if this issue eclipses the important discussions that ought to be conducted between candidates for public office."

Dorgan, who is seeking his fourth term in the House, has complained repeatedly about the attention that has been focused on his wife, Kimberly, in the wake of distribution of anonymous packages containing documents relating to her work as a lobbyist for the Canadian timber industry.

Republican House candidate

See DORGAN — Page A8

See rest of picture on next page

Dorgan

Syver Vinje has said Mrs. Dorgan's work as a lobbyist represents a potential conflict of interest and called on her or the congressman to resign.

Dorgan said papers are still being drawn up for a complaint he intends to file with the Federal Election Commission.

State Republican Party Chairman Layton Freborg said Monday he would support Dorgan's call for ending discussion of the matter, but he doubted that the congressman was serious about filing a complaint with the election commission.

"He's gone by two deadlines already," Freborg said. "I guess the ball is in his court."

Andrews

But before the tax bill can really help the farmer, Andrews said, farm income has to be improved.

He also said the new farm bill and the recent sale of grain to the Soviets under the export bonus program is beginning to accomplish the goal of regaining some of the export markets the United States lost due to the embargoes of the 1970s.

Evidence of this is that the Australians and Canadians are protesting the action because it's taking away their markets. But Andrews said the sale to the Soviets is "a competitive step we have to take to regain that market" and this country is only "taking back some ... they took away from us."



Rep. Byron Dorgan, D-N.D., campaign swing this morni

How reporters tracked down secret source

From the moment The Bismarck Tribune received an anonymous package of documents about the lobbying activities of Rep. Byron Dorgan's wife, the paper chase was on.

Even a nameless package of papers sent through the mail can be tracked. We had no idea then that the trail would lead to attorneys thousands of miles apart, but the mystery was too intriguing not to be pursued.

If the unfolding story has a moral, it is that the pursuit of truthful answers depends largely on access to a wide variety of public records. Without this nation's liberal freedom of information laws, this story could never have been told.

From the beginning it was two stories, really. One was about Mrs. Dorgan, who using her maiden name of Kimberly Sue Olson was registered as a representative of a foreign government working on behalf of Canadian timber interests. The documents showed she or her associates at a Washington D.C. lobbying firm, APCO, had lobbied House Ways and Means Committee members and their staffs, including a member of Dorgan's own staff.

It was an easy story. The information was all in the anonymous package, carefully documented with copies of official government papers and a marriage license.

The other story was the package itself. It represented an unusually underhanded way, in North Dakota terms, to score points against a politician. Who could be behind an intelligence gathering effort so carefully and comprehensively executed?

That was a story much more difficult to get at, but there were some clues.

- The package contained some newspaper clips that had come from the North Dakota Newspaper Clipping Service in Grand Forks.
- It contained a certified copy of the Dorgans' marriage license.
- And it contained documents which had been copied from the Foreign Agents Registration file at the Justice Department in Washington D.C.

Clipping services work for a variety of clients, collecting for them newspaper articles about specific subjects. But only a handful of clients wanted clips about Dorgan. That narrowed it down.

Some of the clips contained a scribbled number: 66. That turned out to be the account number of the state Republican headquarters in Bismarck. That gave us a place, but not a name. Local Republican leaders denied any knowledge of the "Dorgan file" and pointed out that nearly any Republican could have copied their clips.

In Washington D.C., Tribune stringer Catherine Healy found the Justice Department library which was the source of other documents. The library required those looking at its files to fill out a short registration form. Presumably then, whoever had copied the papers had signed such a form. But library clerks and Justice Department officials would not let Healy look at those registration slips because they were "confidential internal documents," a department spokesman said.

So Healy filed an official request using the Freedom of Information Act, a federal law which allows anyone access to almost any document that is not classified. Under the act, the Justice Department had a week to respond, but took just three days. We could have the files, department attorneys decided, with just minor deletions. In a few more days the forms were delivered.

From the dates on the original documents in the anonymous package, we knew approximately when the documents were copied. We quickly focused on a half dozen possible sources, then narrowed the field to one by process of elimination. For instance, a representative of an Armenian group wanted the APCO file as part of an investigation of what he called the Turkish government's cover-up of a massacre of Armenians during World War I.



DAVID M. FUSELIER

The remaining name was Fritz Giesecke, a Washington D.C. attorney. After repeated efforts to speak to him, he told us he didn't want to talk to us. One connection had been made.

Meanwhile, across the country, we were pursuing the name of the person who obtained the copy of the Washington state marriage license. The copy had a certification number. If it had been requested in writing, the request would be on file.

Officials in the Vital Records section in Olympia found the letter but were reluctant to give it to us. Reporter Gerry Gilmour pushed the issue. Under Washington State law, any request for a public record is a public record. Eventually the state's attorney general ruled the letter was an open record, and we had another name: Seattle attorney Pete Lind.

Meanwhile, Dorgan himself had gotten a big break in the case. A tipster had told him that Bismarck detective agency Butcher and Associates had been hired to do an investigation by another Washington D.C. attorney, Marion Harrison.

Dorgan confronted Harrison's law partners, who wanted out of this emerging controversy. The partners admitted Harrison's involvements and asked Harrison to resign from the firm. Harrison, in turn, said he had been hired by still another Washington D.C. attorney, Burt Rand. It was Rand who began to look like the key figure in the "Dorgan file."

The pieces fell quickly into place. Giesecke works in the same law office with Rand. And Lind, in Seattle, is a friend of Rand.

Wednesday The Tribune received another tip that Rand is a longtime friend of Republican Sen. Mark Andrews. In fact, for over two years Rand's son served as an aide to Andrews. We confirmed it and broke the story Wednesday afternoon.

Andrews quickly called a press conference to admit the connection but to deny he knew anything about the Dorgan file.

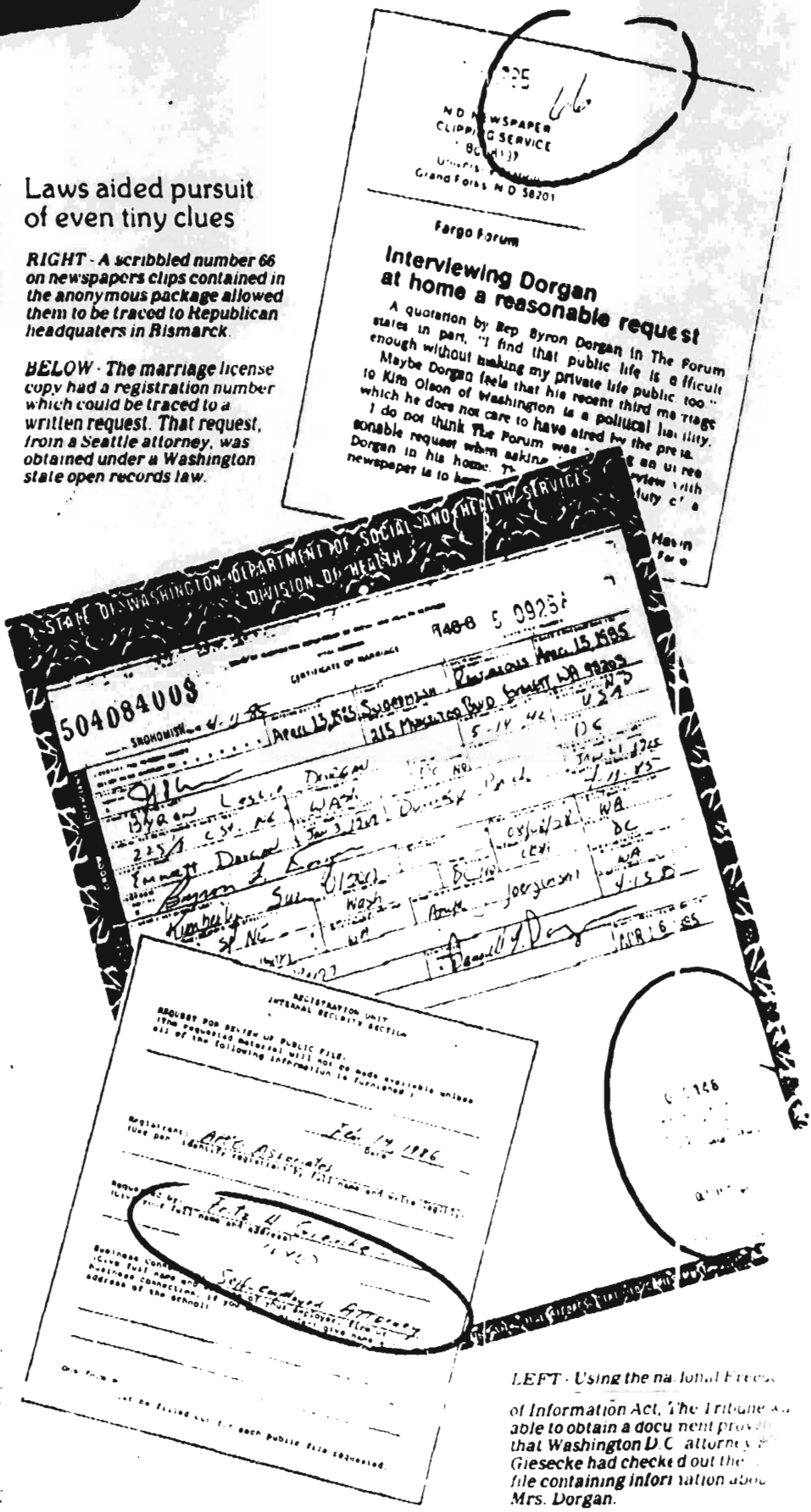
It has not yet been revealed who hired all these attorneys, but small pieces are still falling into place, and the answer will probably emerge soon. In part because of the open records laws, and America's abiding conviction that the public's business ought to be conducted in public view, the year's best whodunit will be solved.

The DORGAN File

Laws aided pursuit of even tiny clues

***RIGHT** - A scribbled number 66 on newspapers clips contained in the anonymous package allowed them to be traced to Republican headquaters in Bismarck.*

***BELOW** - The marriage license copy had a registration number which could be traced to a written request. That request, from a Seattle attorney, was obtained under a Washington state open records law.*



LEFT - Using the national Freedom of Information Act, The Tribune was able to obtain a document proving that Washington D.C. attorney Jack Giesecke had checked out the public file containing information about Mrs. Dorgan.

Bis Trib 8/10/86

Chronology of the year's best political who-dun-it

• **March 6, 1985** — Poll shows Rep. Byron Dorgan would defeat Sen. Mark Andrews, 2-1 (57 percent to 32 percent), if an election were held today.

• **March 25, 1985** — Dorgan talks about opposing Andrews. Andrews says he is "putting together a record which will stand up in any kind of campaign when you go head-to-head. When it comes time for me to campaign, I know how to campaign."

• **April 12, 1985** — Dorgan announces he will marry Kimberly Sue Olson. Dorgan himself is unavailable. Dorgan staff members say they know almost nothing about his plans and do not even know where the wedding will be. "Byron considers this a personal matter," one aide says.

• **April 13, 1985** — Dorgan marries Miss Olson. Twice in subsequent small stories it is mentioned briefly that she was a lobbyist. There are no details.

• **June, 1985** - Kimberly Sue, who was a lobbyist for Nike Shoes when she met Dorgan, now works for APCO, the lobbying arm of a giant Washington, D.C., law firm that does considerable business with foreign governments. She registers as a representative of foreign governments.

• **June 15, 1985** — Andrews runs TV ads designed to discourage Dorgan from running.



• **Oct. 5, 1985** - Poll shows Dorgan still ahead of Andrews, but by smaller margin. 52 percent to 41 percent. However, political observer Lloyd Omdahl says the dates of the poll had been "leaked" to Republicans and that Andrews had conducted a TV ad campaign during the time the poll was taken.

• **Oct. 11, 1985** — Somebody obtains a certified copy of Dorgan's Snohomish County marriage license from the state of Washington Department of Health and Social Services Division of Health. It would later go into the anonymous Dorgan file.

• **Oct. 14, 1985** - Dorgan says he has been encouraged by many people to run against Andrews and will make a decision before the end of the year.

• **Dec. 13, 1985** — Dorgan finally announces a decision. He will not oppose Andrews. Instead he will seek re-election to the House. It is widely speculated that he will instead oppose fellow Democrat Sen. Quentin Burdick in two years.

• **Jan. 27, 1986** — State Tax Commissioner Kent Conrad, widely viewed as a Dorgan protege, announces he will run against Andrews.

• **Feb. 6, 1986** — Last date to appear on Justice Department files contained in "Dorgan papers." File was copied after this date. A cover letter mentions that Dorgan is running for re-election to the House.



The documents show Kimberly Sue Olson is registered as a foreign agent doing lobbying for Canadian timber interests. Other documents show she or other APCO employees lobbied a number of House Ways and Means Committee members and their staffs, including a member of Dorgan's own staff.

• **Feb. 24, 1986** - Last date on anything contained in the package.

• **June 23, 1986** — Papers mailed to Bismarck Tribune from Seattle.

• **June 30, 1986** — Tribune first prints story about Kimberly Sue's activities. Begins search for source of the anonymous package.

• **July 2, 1986** — Some package of papers is mailed to the Fargo Forum from Washington, D.C.

• **July 15, 1986** — Finding Justice Department officials uncooperative, Tribune files an official Freedom of Information Act request for "a complete list of those who checked out the Foreign Agents Registration file on Kimberly Olson..."

• **July 23, 1986** — Justice Department delivers the papers requested by Tribune.



• **August 3, 1986** — Associated Press Bureau Chief Rick Vernacci documents involvement of Butcher and Associates, a Bismarck detective agency. Tribune runs Page 1 background story, revealing many behind-the-scenes details of political intrigue. Story begins unfolding in subsequent daily reports.

The Dorgan investigation: a chronology of events

By James McGregor and Reed Karaim
Herald Washington Bureau

Here's a chronology of events in the controversial detective investigation of Rep. Byron Dorgan.

1985

- March 8: A public poll shows Rep. Byron Dorgan beating Sen. Mark Andrews, R-N.D., in a hypothetical race for the Senate.
- April 15: Dorgan marries his third wife, Kimberly Sue Olson, 27, in her home state of Washington.
- Oct. 5: After Andrews runs a television advertising barrage, polls show that Dorgan still leads 52-41 in a contest between the two politicians.
- Oct. 11: Peter Land, a Bellevue, Wash., attorney, acquires Dorgan's marriage license from the Department of Health and Human Services in Olympia, Wash. He later admits to being a friend of Bert Rand, who is one of Sen. Mark Andrews' closest friends.
- Dec. 13: Dorgan announces he won't challenge Andrews for the Senate.

1986

- Jan. 27: Tax Commissioner Rick Conrad announces he is a candidate to run against Andrews.
- February: Fritz Gerbrecht, a law partner with Rand, gathers information on Kimberly Olson's registration as a lobbyist for APCO, a lobbying subsidy of Arnold and Porter. Among its many clients, APCO lobbies for the Canadian tumbrel industry.
- March: W.T. Burleigh's agents interview acquaintances about Dorgan's private life and copy part of a courthouse file on Dorgan's divorce.
- April: Conrad receives the Democratic nomination to oppose Andrews.
- May: The "Dorgan file" is mailed to the Washington Times. The file contains Dorgan's marriage license, Olson's lobbyist registration, and several press clippings, including one that is later traced to the Republican Party in North Dakota. The Times doesn't write a story.
- May: Dan Rostek, a Butcher investigator, tries without success to get tape recordings of a Conrad news conference from KCND radio.
- June: The Dorgan file is mailed to the Bismarck Tribune and The Forum of Fargo-Moorhead. The Tribune publishes a front-page story on Kimberly Sue Olson's work as a lobbyist, identifying her as a "foreign agent."
- July 31: Information surfaces that the Dorgan investigation was commissioned by the Washington law firm of Scott, Harrison and McLeod.
- Aug. 1: Attorneys from Scott, Harrison and McLeod meet with Dorgan in his Washington office. The partners tell Dorgan their firm was not directly involved, but the investigation was a solo effort by one of their attorneys, Marion E. Harrison, who was hired by Bert Rand, another Washington attorney.
- Aug. 1: Dorgan telephones Rand and arranges to meet with him Monday morning.
- Aug. 4: Rand cancels his meeting with Dorgan, promises to meet with Dorgan within a couple of weeks. He then leaves town.
- Aug. 5: Information surfaces that Bert Rand is a close friend of Mark Andrews and that Rand's son, John, worked for Andrews for more than two years.
- Aug. 6: Andrews starts day by issuing a terse statement and refusing to meet with reporters. Later in the day, he calls a press conference to defend his friendship with Rand but claims no knowledge of the investigation. He suggests Dorgan, Conrad or Sen. Quentin Burdick could be behind the investigation. Burdick responds by calling Andrews' allegations "completely wild" and "pathetic."
- Aug. 7: Dorgan and Conrad meet with attorneys to determine whether to file a lawsuit and force Andrews, Rand and others implicated to testify under oath.
- Aug. 8: Harrison says that his role was limited to having the private detectives end passing along documents in order to insulate Rand and his associates from the investigation. Andrews tells reporters that he remains unconvinced that he is lying to North Dakota voters.

Here are players in the controversy

By James McGregor and Reed Karaim
Herald Washington Bureau

These are the key players in the controversy about the investigation of Rep. Byron Dorgan.

- Sen. Mark Andrews, R-N.D., a longtime figure on the North Dakota political scene, first was elected to the U.S. House in 1963. He won his first Senate race in 1980, after the retirement of Sen. Milton Young, R-N.D. He has long been one of the most popular politicians in the state.
- Rep. Byron Dorgan, D-N.D., made his reputation as North Dakota's tax commissioner. He first was elected to the House in 1980. Since then, he has been re-elected twice with increasing majorities in each election, reaching 79 percent in 1984.
- Rick Conrad, North Dakota's tax commissioner, is a political protege of Dorgan. When his name first came up as a possible opponent for Andrews, Democratic

He is a member of the American Bar Association Board of Governors, but the ABA, earlier this year, declined to approve his nomination for a federal judgeship.

Harrison hired W.T. Butcher's detective agency to investigate Dorgan, but claims he acted at the request of Rand. Since his actions became public knowledge, Harrison has been forced to leave the prestigious Washington law firm he helped to found. That firm, pronouncing itself "mortified" by Harrison's actions, has moved so quickly to disassociate itself from Harrison that Harrison's name already has been removed from its door and stationery.

- Peter Gerbrecht, yet another Washington, D.C., attorney associated with Rand's law firm. Gerbrecht obtained federal records showing that Dorgan's third wife, Kimberly Sue Olson, is a lobbyist for Canadian business interests. Gerbrecht also has been named as the person who mailed packets of information about Dorgan and his wife to newspapers. He has been unreachable since information surfaced tying him to the Dorgan investigation.
- W.T. Butcher, a former FBI agent, founded his Bismarck-based private investigations firm in 1982. The company, which Butcher claims is the largest in North Dakota, used several different agents to investigate Dorgan and Conrad, apparently during the period of several months. Butcher is married to Dee Butcher, North Dakota's deputy commissioner of agriculture and a prominent Republican.
- Peter Land, a Bellevue, Wash., attorney, says he is a friend of Bert Rand. But Land says he did not obtain Dorgan's marriage license for Rand. Land says that perusing on the license was a major matter, and says he cannot remember to whom he mailed it.

Andrews has some explaining to do

Aug 10
GF

About the only conclusion to draw from the latest escapade in a surprising political year is that there is no conclusion that can be drawn.

So far, there isn't any evidence that anything illegal has been done, but there are plenty of suspicions.

The people or interest groups responsible for an investigation of Rep. Byron Dorgan remain unknown, although the identity of some of the people responsible for carrying out the investigation have become public. Their motives are not known definitely, but the signs suggest a political smear campaign.

And the circumstantial evidence points to U.S. Sen. Mark Andrews.

It was Andrews' friend, Washington lawyer Bert Rand, who arranged with Washington lawyer Marion Harrison to arrange with Bismarck private investigator W.T. Butcher to check into Dorgan's past.

Our opinion

This connection doesn't prove that Andrews had anything at all to do with the investigation. But it does suggest that Andrews has some explaining to do.

His explanations so far haven't been very satisfying, so the suspicion remains.

His best course now is to use his influence with his friend, and his prestige as a U.S. senator, to get Rand to tell the truth.

North Dakotans want to get to the bottom of this. When they find what's there, they'll make judgments about the people responsible for it.

To his credit, Andrews has said that he wants Rand to come forward. Andrews must hope that Rand acts soon. The longer this affair drags on, the more damaging it will become.

Mike Jacobs
for the editorial board

N.D. senator denies ties to smear

Bismarck, N.D.
Republican North Dakota Sen. Mark Andrews sought Wednesday to avoid being tainted by an anonymous smear campaign against two Democratic candidates. The source of the campaign, involving blind mailings to reporters and the use of [illegible]

Andrews and state GOP officials deny knowledge of the campaign directed against Kent Conrad, Andrews' Democratic challenger, and Rep. Byron Dorgan, a Democrat seeking re-election and a likely Senate contender in 1988. "Neither my committee nor I has ever spent one penny to have private investigators [illegible]

Attorney tells role in probe of Dorgan

Aug 9
GF

By James McGregor and Reed Karaim
Herald Washington Bureau

WASHINGTON — The attorney who hired private detectives to investigate Rep. Byron Dorgan, D-N.D., said Friday that his mission was to pass along documents and insulate a close friend of Sen. Mark Andrews, R-N.D., from the investigation.

Washington attorney Marion Edwyn Harrison — who was forced to resign from his law firm this week because of his role in the Dorgan investigation — said that he was a conduit for information passing between North Dakota private detectives and the law office of Bert Rand, a close Andrews friend who initiated the investigation.

■ Attorney: See back page

Journal, a weekly magazine for lawyers. The Grand Forks Herald obtained a tape recording of the interview.

In the interview, Harrison said that he believed that he was retained by Rand to lure and communicate with the detectives because Rand and his law partner, Fritz Geisecke, didn't want to be "linked to them directly."

"Maybe he wanted the chain as far away from him as possible," Harrison said, referring to Geisecke, who delivered all the documents that Harrison sent to detectives in North Dakota.

Harrison said he first became involved when Rand, also a Washington attorney, asked him to find a North Dakota private detective agency to conduct an investigation of Dorgan.

Harrison, a member of the American Bar Association Board of Governors, said that he called a couple of North Dakota attorneys who referred him to the Bismarck firm of W.T. Butcher and Associates.

From then on, Harrison said, his role was to pass information back and forth between Rand and his associates and the detectives. He said that he also paid the detective agency $2,200 and later was repaid by Rand.

"My level of skills and expertise on this was pretty elementary," said Harrison, who said that he also was a friend of Andrews but had never discussed the Dorgan investigation with the senator.

Harrison has refused to talk to newspaper reporters since he was forced to resign Monday from his law firm, Scott, Harrison & McLeod, after his partners learned that he was involved in an investigation into a congressman's private life.

On Friday morning, however, Harrison agreed to an interview with Eric Eltron, a reporter for the National Law Journal, a national weekly magazine for attorneys. The Grand Forks Herald supplied questions for the interview and obtained a tape of it. The Journal will publish an article based on the interview in its Monday edition.

The Dor[illegible] was going to challenge Andrews, Rand, several other attorneys, and private detectives began compiling documents about Dorgan and his third wife, Kimberly Sue Olson, 27.

A packet was then sent to several newspapers. It contained information about Olson's activities as a lobbyist for Canadian timber interests, a copy of their marriage license and newspaper clippings — one of which was traced to the North Dakota Republican Party headquarters.

This led to the discovery that Dorgan had failed to list his wife's lobbying job on his House financial disclosure forms.

Harrison said Friday that the packets were mailed by Rand's law partner, Geisecke. A secretary at their law firm said that neither Rand nor Geisecke could talk to reporters, and she wasn't authorized to say where they were.

In a press conference Wednesday, Andrews admitted that Rand and he have been close friends since the late 1950s and that they and their wives spent several days together in Europe last summer.

But Andrews said that he had no knowledge of the investigation, which, in later stages, included at least one inquiry about State Commissioner Kent Conrad, who is the Democratic candidate challenging Andrews this November.

Since that press conference, Andrews has refused interviews with reporters in a telephone call to several reporters in North Dakota Friday, however, Andrews said that he resented accusations that he is lying to North Dakota voters.

"I've never done that in my life, and I am not intending to start now," Andrews said.

Meanwhile Friday, Dorgan and Conrad sent a list of questions concerning the investigation to Rand's law firm. If the questions are not answered by Tuesday, they said, they will ask the Federal Election Commission to investigate the matter.

The questions centered on the purpose of the investigation and who paid [illegible] conducting it.

;andidates lemand Rand eveal client

8-9-86 FOR

Sid Spaeth
Patrick Springer
WRITERS

vo Democratic political candi- s demanded Friday that a nd of Sen. Mark Andrews, R- reveal who engineered an in- tigation of the candidates. They they will call for a federal in- ry if the identity is not reveal

obert L. Deitz, a Washington orney who represents Rep. Byr- Dorgan, D-N.D., and state Tax mmissioner Kent Conrad, wrote letter to Bert Rand, demanding he answer "fully and truthful- six questions about the investi- ion by Tuesday.

Dorgan, a candidate for re-elec- n, and Conrad, a candidate for drews' Senate seat, said in a pared statement that they are ving a Federal Election Commis- n complaint drawn up, but would delay its filing if Rand res- ponds to the six questions.

A copy of the letter has been sent to Andrews, who has said he will join Dorgan in seeking a reso- lution to the imbroglio.

Andrews was on the Senate floor Friday evening and could not be reached for comment. Dorgan said he and Conrad have asked An- drews to get Rand's cooperation in answering the questions.

"I think all of us would just as soon find out who's responsible and get all this behind us and move on to a more serious discus- sion about the really important issues of the day," Dorgan said.

The two Democrats claim an in- quiry will determine whether poli- tical funds were used illegally to hire private investigators to delve

Letter
Back page, Column 1

Continued from Page A1

into their backgrounds. The use of political funds for the investiga- tion would break federal law if the probe was politically motivated and the payment was not listed on campaign expense reports.

Rand, a longtime friend of An- drews who has been named as the person who ordered the hiring of the investigative firm, told An- drews he did it on behalf of a business client, whom he did not name. Andrews said he was told by Rand that the investigation did not involve politics and did not in- volve Conrad.

Rand hired Washington attorney Marlon Harrison to instigate the investigation. Harrison, who in turn hired a Bismarck detective agency, also said the investigation did not involve Conrad.

Investigators for the firm of Wil liam T. Butcher & Associates co- pied portions of Dorgan's divorce records. They also requested a tape of a Conrad press conference from a Bismarck radio station, but Butcher said Conrad was not being investigated.

Fritz Glebecke, who shares offices with Rand, copied informa- tion on Dorgan's wife, Kimberly Sue Olson, from a justice depart- ment library in Washington. Peter Lind, a Bellevue, Wash., attorney, copied Dorgan's marriage license in Snohomish County, Wash.

Information gathered in the in- vestigation, which centered on Olson's role as a lobbyist for Cana- dian timber interests, was mailed later in anonymous packages to several news organizations, includ- ing The Forum.

Rand, who had promised earlier to meet with Dorgan but cancelled the meeting, has not responded to press inquiries all week.

Rand had told Dorgan he would meet with him late next week, but Deitz said in the letter, "There is no guarantee that waiting until late next week will result in full and complete answers to our ques- tions."

Deitz is an attorney for the Dem- ocratic Congressional Campaign Committee and the Democratic Senate Campaign Committee.

In his letter, Deitz demanded to know who authorized and paid for the investigation; what was the purpose of the inquiry and how much it cost; what role Giesecki and Lind played; and who assembled and mailed the ano- nymous packages.

Conrad wrong on farm issue as he was on oil

Since Senate candidate Kent Conrad has gene contented himself with attacking Sen. Mark drews, it has been difficult to assess Conrad's position on issues. However, his support for m- tory wheat quotas and prices that would elim- foreign sales, along with his support for sha higher oil prices, leads me to assume that he ports the "withdraw from the world" philosop the Democratic party in the U.S. House.

This philosophy assumes that America c longer compete in the world and we should trying. It was expressed through passage of a trade bill which would virtually eliminate imports thus remove pressure on American industry main or become efficient and price competiti expressed by support for wheat and feed g rates that would make American grain by most expensive in the world. It is expressed- port for sharply higher taxes on America which, of course, would further weaken our tive position.

Those industries, including agriculture, which pend on foreign markets would be devastate- half of our cropland would have to be Sharply higher feed prices would force drast bucks in livestock production. There would be sive reductions in the use of fuel, fertilizer cals, farm labor and all other agricultural in- Conrad may maintain that price has noth- with foreign sales and consumption of fa- ducts. This is also what he said about oil in the

Dr

Forbes, N.D.

Homemakers don't have jo-

How many of us North Dakotans are aware on Dorgan's anti-woman and anti farmer cord? When the House Ways and Means originally took up the issue of tax refo showed his true colors — bl ck and blu shows that he believes all mothers who stay at home and raise their children a wives do not have jobs. Thus, because have "real" jobs they are not entitled t IRA deduction of $2,000, versus the pre That's a real neat way to keep women in isn't it?

Dorgan also voted against allowing fa the rest of us who itemize on our tax $2,000 personal exemption. He felt that we only get a $1,500 exemption, while those not itemize should get a $2,000 exemption slap in the face to all farmers, business the rest of us who itemize. What a Aren't we paying enough taxes?

Aug 10 F50

Dorgan sets Tuesday deadline for disclosure

MINOT 8/19/86

By STEVE ADAMS
Daily News Washington Bureau

WASHINGTON — Rep. Byron Dorgan, D-N.D., and state Tax Commissioner Kent Conrad set a Tuesday deadline for disclosure of who hired attorneys and a detective for an apparent investigation of their family lives.

Dorgan hinted in a phone interview Friday evening that he and Conrad will file a complaint with the Federal Elections Commission if they do not receive information about who funded that probe by the deadline.

The North Dakota Democrats made the request in a letter from their attorney to Bert Rand, a Washington lawyer who reportedly told at least two people — Dorgan and Sen. Mark Andrews, R-N.D. — that it was he who arranged the probe of Dorgan and Conrad.

Dorgan said Friday that Rand promised to tell him late next week which of his clients paid for the investigation. But the congressman said he and Conrad were not willing to wait that long, particularly since Rand canceled a planned meeting with Dorgan last Monday.

Dorgan also said he feared the time might be used for a coverup.

"The other concern obviously is, the more time that lapses, the more people might contract what they need to protect themselves," said Dorgan.

Rand apparently organized an investigation that included a roundup of public records concerning Dorgan's and Conrad's marriages and divorces.

Democrats suspect the same people were responsible for an anonymous mailing to North Dakota news organizations of material that suggested Dorgan had a conflict of interest because his wife is a registered lobbyist.

The Democrats say the affair smacks of a political operation by Republicans. Dorgan was considered Andrews' likely challenger in this year's Senate race, but Dorgan declined to run and Conrad entered the race.

In a bombshell Wednesday, Andrews disclosed that Rand was a long-time friend and that Rand's son worked for Andrews on the Senate Budget Committee until January.

But Andrews denied he was behind the investigation of Dorgan. He said he learned of the investigation, and of Rand's link to the probe, by reading newspaper accounts.

Dorgan and Conrad released a statement Friday saying they ordered an attorney to prepare an FEC complaint, but would not file it until they determined whether Rand will answer their questions. The FEC complaint would allege that election law was violated because whoever financed the probe failed to report it as an election-related expense.

An attorney for the two politicians delivered a letter to Rand's office Friday morning asking for answers to six questions. It requested:

- The identities of Rand's client and the "ultimately responsible parties" who authorized the hiring of a Bismark detective agency.
- Information about the purpose, cost and funding of the investigation.
- A description of what role Fritz Gieseche, Rand's law partner, and

See DORGAN — Page A8

☐ Dorgan

(Continued from Page A1)

Peter Lind, a Washington state attorney, played in the probe.

- Names of those who assembled and mailed information about Dorgan and his wife's lobbying activities.

Dorgan hinted that the FEC complaint would be filed next week if the answers aren't received by Tuesday, but he said that hadn't been decided for certain. "We'll decide that Tuesday," he said.

The congressman also suggested that court action was possible. He said he and Conrad expected to find out who ordered and funded the investigations, "either through the FEC or through some other litigation."

"What we're saying to him is, this is a rather serious matter," Dorgan said of the letter to Rand.

A copy of the letter was also sent to Andrews with a request that the senator press Rand to cooperate. Andrews offered Wednesday to join Dorgan in filing an FEC complaint, but Dorgan brushed that aside.

"That would not be necessary," Dorgan said. "Our interest in the cooperation (from Andrews) is to have Mr. Rand respond to our inquiries at this point."

Bismarck 8/10/86

Two airlines to merge Tuesday

MINNEAPOLIS (AP) — The merger of Northwest Airlines and Republic Airlines is expected to be formally closed on Tuesday, Republic spokesmen say.

The closing date is largely a legal formality because directors of both airlines already have approved the transaction. However, it is significant because Northwest will be able to start making payments to Republic shareholders.

Republic spokesman Redmond Tyler said shareholders will receive an information kit from Northwest shortly after the closing with detailed instructions on how to receive their cash.

About 11,000 of Republic's 15,000 employees own stock through an employee participation plan. Northwest's payment on that stock will be held in trust for two years, then be paid out with interest.

RAILROAD

Burdick offended, denies involvement

8/8

BISMARCK, N.D. (AP) — Sen. Quentin Burdick, saying he was offended by remarks linking him to the hiring of detectives to investigate Rep. Byron Dorgan and Tax Commissioner Kent Conrad, wrote both men to say the remarks were false.

"I want to give you my immediate, personal assurance that this is a complete falsehood," Burdick, D-N.D., said in a letter to Conrad Thursday.

Sen. Mark Andrews, R-N.D., said Tuesday that Burdick would have more interest in an investigation of Dorgan than Rep. Dorgan, D-N.D., is considering a run for the Senate when Burdick's term is up in 1986.

"All I know about these investigations is what I have read in the recent news accounts," Burdick wrote. "I can tell you that I deplore these seamy political tactics, and am deeply offended by any feeble attempt to connect me with them."

Andrews also has insisted he had no role in the investigations, despite the involvement of Washington attorney Bert Rand, whom Andrews said is a longtime friend.

Washington attorney Marion Harrison said Rand hired him to help investigate Dorgan.

Higher oil prices would hurt state more than help

FGD 8/10

I note that Kent Conrad, Democratic candidate for the U.S. Senate, in a recent press conference has asked for higher oil prices. Gov. George Sinner made the same request earlier.

North Dakotans are major consumers of petroleum products and the drop in prices has been highly beneficial to the state's citizens. We use large quantities of fuel to operate our farms and ranches. It is a long way between points in North Dakota; we use a lot of fuel for transportation — both personal and commercial. We are a northern state and use a lot of energy to heat our homes, factories, offices, etc.

A recent news story talked of more money for education because we need less to pay for heating our school buildings, and also of counties being able to pave more miles of road. Lower fertilizer and chemical costs for agriculture are important spin-offs.

It is my understanding that the governor and and tax commissioner want higher oil prices so there will be higher tax collections to the state treasury. However, those increased taxes would be minimal compared to the increased cost to North Dakota consumers.

The fall elections are fast approaching and perhaps we should be asking the candidates if they support Conrad's and Sinner's calls for higher gas prices.

State Sen. Don Moore
District 28
Forbes, N.D.

Transportation bill passes committee

W-F 8/8

BISMARCK, N.D. (AP) — A $25.5 billion transportation funding bill that ensures continued train, airline and highway funding in North Dakota has been approved by the Senate Appropriations Committee, according to Sen. Mark Andrews, R-N.D.

The measure approved Thursday was virtually unchanged from one approved earlier by the panel's Subcommittee on Transportation, said Andrews, who is chairman of the subcommittee.

The measure, which provides transportation funding for fiscal year 1987, is expected to go before the full Senate in September, Andrews said in a statement.

Special emphasis was put on rural transportation, he said.

"Almost half the population of our country lives in non-urban areas, yet less than 10 percent of the nation's transportation funding goes to those areas," Andrews said. "Rural transportation needs are different than urban needs, but they are no less real, and our committee is working to meet those needs within the constraints of the budget."

Andrews said the bill provides:

—$581 million for Amtrak, ensuring that its Empire Builder train will continue to serve North Dakota.

—Funding for the Essential Air Service program, which provides money for passenger airline service to Williston, Devils Lake and Jamestown.

—Funding for the Federal Aviation Administration's airport grant program, which helps defray the cost of airport improvements. Projects in Bismarck, Jamestown, Minot, Fargo, Grand Forks, Harvey and Casselton are to get priority consideration under the measure approved by the subcommittee.

—$3 million for the University of North Dakota's airway science program, and another $2.2 million for UND's flight hazard weather research.

—$10 million for Access Highways to Lakes, which provides money for road construction projects to recreation areas created by federal water projects. In the past 10 years, the program has provided North Dakota projects with $45.5 million.

Ex-Andrews aide to report plans

FGD 8/10

New Rockford, N.D. (AP)

Ed Doherty, a former aide to Sen. Mark Andrews, R-N.D., said he should announce this week if he will launch an independent candidacy against the senator's re-election bid.

Doherty said he was planning a news conference Wednesday in Bismarck to reveal his intentions. The location of the news conference has not been decided yet, he said Saturday.

Andrews and his Democratic opponent, state Tax Commissioner Kent Conrad, have failed to adequately recognize the job President Ronald Reagan has done in running the country, Doherty said.

"I'm not sure who I would take the most votes from, frankly," if he decides to run, Doherty said.

A native of Killdeer, Doherty worked as Andrews' executive assistant from January 1981 to October 1983.

Conrad, Dorgan consider requesting inquiry of probe

Aug 9
FEO

By Sid Spaeth
and Patrick Springer
STAFF WRITERS

North Dakota Tax Commissioner Kent Conrad and Rep. Byron Dorgan, D-N.D., have hired an attorney to study whether they should request a federal inquiry into who hired detectives to probe their backgrounds.

Conrad and Dorgan discussed the possibility of a Federal Election Commission complaint Thursday evening, but Conrad said no decision will be made until they hear from their Washington attorney.

"I wouldn't do it alone," Conrad said, referring to filing a complaint. "Byron and I are going to do this together. I've said repeatedly it is a strong likelihood. It is something we are looking into."

The complaint would enable federal officials to determine if political funds were used to hire detectives to conduct background checks on the two candidates and if the payments were listed on campaign expense forms.

Conrad is running for the U.S. Senate seat held by Republican Mark Andrews and Dorgan is running for re-election against Republican Syver Vinje.

Four attorneys have been linked to the investigation, but it is not known who funded and engineered the operation.

A longtime friend of Andrews authorized the investigation by the Bismarck detective agency, but Andrews said he had no knowledge of the inquiry.

Washington attorney Bert Rand, a friend of Andrews for nearly 30 years, told Andrews he asked Washington lawyer Marion Harrison to hire a detective agency to investigate Dorgan.

Rand told Andrews he was acting on behalf of a private business client whom he did not name. Rand has been unavailable for comment this week.

Harrison, who hired William T. Butcher & Associates of Bismarck, was later asked to resign from his firm by law partners who disapproved of the action.

Butcher has said his firm did not investigate Conrad, but a detective from his agency requested a copy of a tape of a Conrad news conference from David Thompson, news director of KCND radio in Bismarck.

Detectives also copied part of Dorgan's divorce files at the Burleigh County Courthouse in Bismarck and at the Burke County courthouse in Bowbells, N.D.

Dorgan has been divorced twice and Conrad once.

Susan Olson, deputy clerk of court in Burke County, said a man from the Butcher firm "four or five months ago" copied the decree from Dorgan's 1973 divorce. She said the man also read through the divorce file.

Marian Barbie, clerk of Burleigh County District Court in Bismarck, said a Butcher employee, Clarus Schmidt, copied the Dorgan divorce file on March 20.

She said no records exist that anyone copied the Conrad divorce file.

Peter Lind, an attorney from Bellevue, Wash., copied Dorgan's marriage license at the Snohomish County, Wash., court and Phil Ciaccio, a Washington lawyer who shares offices with Rand, retrieved information on Dorgan's wife, Kimberly Sue Olson, from the Justice Department library.

Andrews has distanced himself from the private investigation and said he will join Dorgan in calling for an FEC inquiry.

Andrews has suggested that Sen. Quentin Burdick, D-N.D., might have had more of a motive to spark the investigation since Dorgan has said he will vie for the Democratic nomination for Burdick's seat in 1988.

Burdick responded sharply to Andrews' suggestion Wednesday, calling it "pathetic."

Burdick on Thursday assured Conrad and Dorgan he was not involved.

In letters to the two men, Burdick said he supported their campaigns.

"I want to give you my immediate personal assurance this is a complete falsehood," Burdick wrote to Conrad. "I can tell you that I deplore these seamy political tactics and am deeply offended by any feeble attempt to connect me with them."

Conrad said Burdick's disclaimer letter was not necessary.

"I knew that (Burdick) was not involved in this," Conrad said. "It never entered my mind that he would be involved in this. It's just not Quentin Burdick."

orum editorial

nvestigation nay be legal, ethics aside

Someone is paying private detectives to look into the background of North Dakota Democratic Congressman Byron Dorgan. So far, nothing has been shown it makes this illegal.

he ethics of it probably leave something to desired, however. The private detectives ve been looking into, among other things, a on a Dorgan divorce. He recently was rried for the third time.

politician's private life is generally left ne by his opponent and the news media, less it affects the conduct of his office in a eterious way.

While divorce proceedings are public ords, we can't see that they have a bearing the manner in which Dorgan represents the te of North Dakota in Congress.

Whether the investigation is ethical or not annot be judged soundly until and unless nething is done with what is found.

tate Republicans have denied hiring the estigators, and Republican Sen. Mark drews has said he is willing to join with gan in an expected complaint with the leral Election Commission.

he use of political funds for an estigation of candidates apparently would late federal election laws, unless the ments were disclosed on campaign pense reports.

turns out that a lawyer friend of Andrews lert Rand of Washington, D.C., was olved in hiring the private detectives.

gan says this fact raises "serious questions out Mark Andrews involvement in this ole matter."

ndrews firmly denies anything to do with tand allegedly retained another attorney, rion Harrison, to hire the private detectives.

gets to be a winding trail.

ne piece of information which has been olicized concerning Dorgan recently is that wife, Kim, is a paid lobbyist for Canadian ber trade interests in the U.S.

hether this information is part of the eral investigative package involving some he same principals is uncertain. The rmation on Dorgan's wife was mailed nymously to North Dakota newspapers, uding The Forum.

orth Dakota Tax Commissioner Kent Conrad eves he may be a subject of the private e too. He bases this on the fact that a tape ne of his news conferences has been ght by an investigator.

ere is nothing more public than a news ference. Conrad, a Democrat, is opposing rews for the Senate.

rgan's opponent in the November election rver Vinje. He says he has no connection the private investigation.

Dorgan, Conrad consider lawsuit

By James McGregor
Herald Washington Bureau

WASHINGTON — Rep. Byron Dorgan, D-N.D., and State Tax Commissioner Kent Conrad are considering filing a lawsuit against those who have been implicated in an investigation into their lives and political activities.

Both Dorgan and Conrad said in interviews Thursday that the suit would be aimed at determining who paid Washington attorney Bert Rand to launch the investigation.

Rand is a longtime friend of Sen. Mark Andrews, R-N.D., who is running against Conrad for re-election. Andrews said Wednesday that he had no knowledge of the probe, which resulted in packages of information designed to discredit Dorgan being sent to several newspapers.

Dorgan and Conrad said that a civil suit is being considered because it would force Rand and the others involved to give statements under oath during the discovery process that would proceed the court hearings.

"What we are talking about is a civil action that will get people under oath and we will take depositions," Conrad said.

Dorgan said that he and Conrad have retained an attorney to determine the grounds for such a lawsuit.

■ Consider: See back page

Consider

Continued from Page 1A

They said the attorney also is helping them determine whether or not to file a formal complaint calling for a Federal Election Commission investigation of whether campaign funds were used to finance the probe. If they file an FEC complaint, all of the proceedings are kept secret.

"I am very interested in seeing a paper trail," Dorgan said. "I am interested in seeing who wrote checks that sponsored the investigation."

Meanwhile, Sen. Quentin Burdick, D-N.D., sent letters to Dorgan and Conrad Thursday saying that he was "outraged and personally insulted" by Andrews' suggestion that Burdick could be connected to the investigation.

During a news conference Wednesday evening, Andrews said that "maybe some friends of Quentin Burdick are ginning (this) up" because Dorgan is expected to challenge Burdick in 1988.

"I want you to know that this is completely untrue," Burdick said in his letter to Dorgan.

An aide to Andrews said Thursday that Andrews had been busy in committee meetings all day and he hadn't contacted Rand. During his press conference, Andrews said he would ask Rand to tell reporters about the investigation and thereby clear the air of suspicions that Andrews had initiated the probe.

At the time the investigation began, polls were showing Dorgan handily beating Andrews in a hypothetical race and Dorgan was considering challenging Andrews.

The investigation was conducted by attorneys associated with Rand and a Bismarck private detective agency, W.T. Butcher and Associates.

It involved interviewing people about Dorgan's personal life, retrieving the divorce papers from his second marriage and a copy of the license for his third marriage, on April 15 last year. It also involved trying to obtain radio tapes of a Conrad news conference.

The marriage license was sent to newspapers along with Justice Department forms that Dorgan's wife, Kimberly Sue Olson, 27, filed when she registed as a lobbyist for Canadian timber interests. This led to revelations that Dorgan had failed to list his wife's income or position on his U.S. House financial disclosure forms.

He claimed it was an oversight and that it had been reported many times in newspapers that his wife worked as a lobbyist. The package sent to newspapers claimed that he was trying to hide the fact that his wife was a "foreign agent" who lobbied Congress on issues he votes on.

9 AP 08-07-86 09:48 AET 71 LINES
PM-Le[illegible] Andrews, 1st Ld-Writethru,560:
Eds: Inserts 2 new grafs after 4th graf prvs to give comments on Burdick; picks up 5th graf prvs, beginning: Washington attorney...
Andrews Repeats Denial Of Involvement In Detective-Agency Probe:
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Andrews said he believed Dorgan, D-N.D., and state Tax Commissioner Kent Conrad, who is running against Andrews as he seeks a second Senate term, were trying to use the incident to damage him politically.
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SS RETURN TO CONTINUE OR ENTER A REQUEST.

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Burdick called the statement ''pathetic, unbelievable and insulting.''
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Harrison was a founding partner of his Washington law firm, but his partners forced him to resign earlier this week after his involvement in the Dorgan matter became public.
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Andrews said he has known Rand for more than 20 years, and said Rand was ''one of my better friends.'' Rand's son once worked for Andrews on the staff of the Senate Budget Committee, the senator said.
However, he knew nothing of Rand's involvement in the affair until he read about it in the newspapers, Andrews said. Rand has refused to comment to The Associated Press.
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Asked if he believed Dorgan and Conrad were playing up the affair to try to damage his political fortunes, Andrews replied, ''Well, it certainly seems that way.''

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Page A 12 Thursday, August 7, 1986 daily news

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He did not know of Rand's involvement in the Dorgan investigation until he read about it in the newspapers earlier this week, Andrews said. Rand has declined to comment to The Associated Press.

"I called (Rand) and said, 'What the heck is going on, what is behind all of this,'" Andrews said. Rand told him not to worry about the matter, saying he was working for a private client, Andrews said.

Andrews denies Dorgan investigation involvement

By Sid Spaeth
and Patrick Springer
STAFF WRITERS

Sen. Mark Andrews, R-N.D., admitted Wednesday that a long-time friend was involved in hiring private detectives to investigate the background of Rep. Byron Dorgan, D-N.D.

Andrews, however, denied any involvement with the investigation.

"I am categorically saying I have nothing to do with this so-called political investigation that was done of Congressman Dorgan," he said.

Andrew's admission — in a statement issued Wednesday morning and repeated later at a hastily called press conference — came amid press inquiries exploring links between the senator and Ben Rand, a Washington lawyer who ordered the investigation.

It also sparked heated partisan debate. Democrats called for an investigation to determine if Andrews played a part in the probe, while Republicans accused Democrats of exaggerating the issue for political gain.

Andrews said he would be willing to join Dorgan in calling for a Federal Election Commission inquiry to see if political campaign funds were used to hire detectives.

But Kent Conrad, state tax commissioner and Andrews' Democratic challenger, assailed Andrews' offer, saying, "I think the events of today raise serious questions about Mark Andrews' involvement in this whole matter."

Conrad has said he also was investigated by private detectives, but the agency — W.T. Butcher & Associates of Bismarck — has denied investigating Conrad.

Conrad said the disclosure of Andrews' friendship with Rand increases the likelihood he and Dorgan will file an FEC complaint.

Andrews, who described Rand as "one of my better friends," distanced himself from Rand and the investigation.

Andrews said he telephoned Rand after reading a news account of Rand's involvement.

"What gives?" Andrews said he asked his friend. "How come you are monkeying around in a political deal?"

Andrews said Rand assured him the investigation was not political, but his friend's involvement disturbed him.

"I am not happy about my friend having done it, but I am not outraged ...," he said. "It's done all the time. How it is used determines whether it is right or wrong. If it's used for politics, quite obviously, it is wrong."

Andrews said he was told Rand was working for another client and said he did not ask Rand who the client was. "It was an extremely short conversation," he said.

The freshman senator also said investigators "probably overreacted" to a request by Rand for information on a member of the House Ways and Means Committee. Dorgan is a member of that committee.

Andrews said investigators apparently never went beyond

[Dorgan
Back page, Column 2

Reagan wins House textile vote

Washington (AP)

The House, under furious pressure to deliver President Reagan a victory on the trade issue, on Wednesday narrowly sustained his veto of major rollbacks in textile and apparel imports.

Reagan, whose personal lobbying was described by both sides as a major factor in the outcome, expressed satisfaction at the 276-149 vote, eight short of the two-thirds needed to override the veto.

Minnesota Democratic Reps. James Oberstar, Martin Sabo, Gerry Sikorski and Bruce Vento voted to override the president's veto.

Minnesota Republican Reps. Bill Frenzel, Arlan Stangeland and Vin Weber, along with Democratic Reps. Tim Penney of Minnesota and Byron Dorgan of North Dakota, voted to let the veto stand.

Dorgan
Continued from Page A1

public documents. "If they were wiretapping, if they were shadowing or something like that, then Bert Rand would no longer be my friend."

Andrews said his association with Rand dates back to the late 1950s, when Andrews and other cattle producers were looking for a packing plant operator to replace Armour, which was pulling out of West Fargo.

The group helped bring in a Sioux City, Iowa, packing company, represented by Rand.

Rand and Andrews grew to be close friends and see one another several times a year, Andrews said. The two attended a music festival together last summer in Salzburg, Austria, he said.

Rand has been unavailable for comment since his name surfaced in connection with the controversy earlier this week. His secretary said he was traveling and was expected back in his office today or Friday.

Another Washington lawyer, Marion Harrison, confirmed Monday that Rand had asked him to hire a private investigative firm to probe Dorgan's past. Harrison later was asked to resign because of his role in ordering the investigation of a political candidate, law partners said.

Rand's son, John, worked as an analyst assigned to Andrews on the Senate Budget Committee from September 1983 until January. He is now a lawyer practicing in Arlington, Va.

While he said his father was not involved in politics, Rand declined comment on the Dorgan investigation and his father's relationship with Andrews.

Andrews lashed back at Democrats who said he might be involved, asserting Dorgan was playing up the issue to damage him politically.

He noted that Dorgan has said he will vie for the Senate seat held by fellow Democrat Quentin Burdick in 1988.

"I doubt that people can tie this one to me any more than they can tie it to Quentin Burdick or whoever else," Andrews said.

Burdick said Andrews' statement was "pathetic, unbelievable and insulting."

Syver Vinje, the Republican candidate for Dorgan's seat, also said Democrats were overemphasizing the matter for political gain.

Dorgan was offended by the Republican claims, saying, "That's part of the same sick politics that we're talking about here. Those kind of comments lead me to believe that they've involved in all this."

Democrats claim the investigation would be illegal if the funds used to pay for the investigation are not listed on campaign expenditure reports.

Andrews said in a statement released by his office Wednesday morning, "Neither my (campaign) committee nor I have ever spent one penny to hire investigators to investigate our opponent and we personally

Bis Trib

Conrad to file election complaint

By GERRY GILMOUR
Tribune Staff Writer

Senate candidate Kent Conrad said today he has hired an attorney and is in the process of filing a complaint with the Federal Election Commission, alleging he and Rep. Byron Dorgan were the subjects of an illegal investigation.

A Washington lawyer, Marion Harrison, has admitted hiring Bismarck detective agency W.T. Butcher and Associates to gather information about Dorgan. Butcher has denied seeking any information about Conrad, but Prarie Public Radio newsman Dave Thompson said an employee of Butcher tried in late May to obtain a tape recording of a Conrad press conference.

Any probe of Dorgan or Conrad would be illegal under FEC rules if it was done to influence an election and not reported as a campaign expense.

Once a complaint has been filed, FEC investigators have the authority to subpoena witnesses and documents.

Sen. Mark Andrews, whose good friend is a key figure in the Dorgan investigation, said Wednesday he is not involved and will cooperate with any FEC inquiry.

Conrad said this morning he is not convinced that Andrews is not involved. "He'll be required to cooperate," Conrad said. "He'll have to respond (to and FEC complaint) within 15 days."

At a hastily called Washington D.C. press conference Wednesday, Andrews said there is nothing wrong with a business investigating Dorgan, a Democrat, as long as the investigation wasn't politically motivated.

Andrews repeated that he is good friends with Bert Rand, the central figure in the probe of Dorgan. Andrews said Rand told him he had been retained by an unamed client to check a House Ways and Means Committee member whose wife

(More on BURDICK, Page 7A)

THE BISMARCK TRIBUNE

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Burdick jumps into fray; says he is not involved

CONTINUED FROM PAGE 1A

was a lobbyist for foreign timber interests. Dorgan is on the committee, and his wife, Kimberly Olson, lobbies on behalf of the Canadian timber industry.

"I'm categorically saying I had nothing to do with this so-called political investigation that was done on Congressman Dorgan," Andrews said. "I think if it's being done for political purposes we all ought to find out why, because we don't want this done. It's not legal and it's not right. But if it's strictly a business deal then it's totally different."

Further, Andrews said he lacked any motive to investigate Dorgan.

"What good would it do for me to get Byron Dorgan out of the race by having some guy in Washington state find out he was married?" Andrews asked. "I knew he was married. I've met Kim and she's a delightful charming person. All that has been turned up is something I already know and everybody in North Dakota knows."

He also said investigations go on all the time in Washington, D.C., adding that Dorgan may have played a few tricks himself. "I get a little ticked off when he sends letters around Washington pointing out the fact that I sued doctors and that's ruined my career."

Andrews said he called Rand immediately when he read of his involvement in the hiring of lawyers and a Bismarck private eye firm to gather information on Dorgan and Conrad. "I asked him 'What gives...how come you're monkeying around in politics in my home state,'" Andrews said.

He said Rand would not reveal who hired him to investigate Dorgan.

"As long as they were looking for public documents, they are available to all of us... If they were wiretapping, if they were shadowing or something like that then let me tell you Bert Rand would no longer be a friend of mine. He'd be subject to the penalties of the law.. But I haven't seen that yet."

He said he has asked Rand to speak to the press on the matter, but Rand's secretary has told The Tribune "I'm not supposed to give you any information."

Asked if he believed Dorgan and Conrad were playing up the affair to try to damage his political fortunes, Andrews replied, "Well, it certainly seems that way."

Andrews and Rand have been friends since they met in West Fargo in the late 1950s, when Rand was a young attorney working to bring a packing plant to North Dakota after the Armour packing plant closed.

Last summer, they met in Salzburg, Austria, where they attended a music festival with their wives, he said.

Andrews said he had met Harrison, who was asked to resign from a prominent D.C. law firm Monday when his partners learned he had hired W.T. Butcher and Associates of Bismarck to investigate Dorgan and Conrad, but not Peter Lind or Fritz Gieseche.

Lind and Gieseche — both friends of Rand — were both involved in gathering public documents on Dorgan and his wife.

Andrews said Conrad and Dorgan may be using the whole episode as a way to smear his campaign. "(Dorgan's) not running against me. He's running for a Senate seat in 1988. By that justification maybe some friends of Quentin Burdick are getting him. I don't know. I don't have the answer to that."

That comment brought Sen. Burdick into the fray. "I deeply resent any attempt to link me with the alleged investigations of Congressman Dorgan and Tax Commissioner Conrad," Burdick said today in a statement to the Tribune. "That's pathetic, feeble and insulting. I deplore these seamy political tactics and any suggestion they I might be connected to them is offensive."

Soviet grain deal's impact may be slight

By MARC CONRAD
Tribune Staff Writer

Now that the Reagan Administration has agreed to subsidize grain sales to the Soviet Union, the United States could sell an extra 147 million bushels of wheat in the next two months.

Steve Tomac of the North Dakota Wheat Producers Association said if the sale goes through it could put a dent in the 1.9 billion bushel surplus of wheat. "It could even give us a temporary rally on the market," he said, and might temporarily buoy prices above the government loan rate of $2.39 per bushel.

However, Neal Fisher of the North Dakota Wheat Commission said it's difficult to predict if there would be much of a boost, because of other negative factors in the market such as the expected bumper wheat crop around the world, lower U.S. loan rates on wheat and the widespread use of payment-in-kind certificates by farmers to redeem stored grain.

Fisher said President Reagan's agreement Friday to allow the Department of Agriculture to offer the Soviet Union bonuses wasn't enough. He said the agreement only allows the Soviet Union to qualify for PIK bonuses until it buys 30 million bushels, its quota under a long term grain agreement. Also, other good wheat customers such as Japan still can't qualify for the bonuses. The United States won't be making its best customers the preferred customers, Fisher said.

Reagan agreed to extend PIK bonuses to the Soviet Union Friday after Sen. Mark Andrews and other farm state senators complained that the best U.S. wheat customers, including the Soviet Union, were angered by not being included in the program.

Tim Burke of Andrews' office said customers such as Saudi Arabia have been sold wheat with bonuses. He said the USDA approves commodity bonuses on a case-by-case basis. Up until last week, no bonuses had been offered to the Russians.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

Mr. Kent Conrad
Tax Commissioner
State of North Dakota
Bismarck, ND 58501

Dear Mr. Conrad:

This letter will acknowledge receipt of a complaint filed by you which we received on August 28, 1986, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the North Dakota State Republican Party and Layton Freborg as Chairman, People For Mark Andrews and Robert C. Rust as Treasurer, Mr. Bert B. Rand, Mr. Marion E. Harrison, Mr. Fritz Giesecke, Mr. Peter Lind, and Mr. W. T. Butcher. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as the original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter under review MUR 2229. Please refer to this number in all future correspondence. If you have any questions, please contact Retha Dixon at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosure

cc: Conrad Campaign

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

North Dakota State Republican Party
Layton Freborg, Chairman
P.O. Box 677
Underwood, ND 58576

Re: MUR 2229

Dear Mr. Freborg:

The Federal Election Commission received a complaint which alleges that the North Dakota State Republican Party and you, as chairman, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2229. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the North Dakota State Republican Party in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

8904073163 6

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

8904073163 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

People For Mark Andrews
Robert C. Rust, Treasurer
P.O. Box 1773
Fargo, ND 58102

Re: MUR 2229

Dear Mr. Rust:

The Federal Election Commission received a complaint which alleges that People For Mark Andrews and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2229. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and People For Mark Andrews in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and §437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

R 9040731638

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

cc: Honorable Mark Andrews

8904073163 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

Mr. Bert B. Rand
Trammell, Rand, Nathan & Lincoln
1000 Potomac Street, N.W.
Washington, DC 20007

Re: MUR 2229

Dear Mr. Rand:

The Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2229. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

8904073164O

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

8904073164 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

Mr. Marion E. Harrison
Scott, McLeod, Himmelberg, Mate, Pires & Price
2501 M Street, N.W.
Suite 400
Washington, DC 20037

Re: MUR 2229

Dear Mr. Harrison:

The Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2229. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

8904073164 2

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

8904073164 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

Mr. Peter Lind
Lind & Nault, Inc.
2122 112th Avenue, N.E.
Bellevue, WA 98004

Re: MUR 2229

Dear Mr. Lind:

The Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2229. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

8904073164 4

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

8904073164 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

Mr. W. T. Butcher
W. T. Butcher & Associates, Ltd.
1424 W. Century Avenue
Suite 106
Bismarck, ND 58501

Re: MUR 2229

Dear Mr. Butcher:

The Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2229. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

8904073164 6

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

8904073163 47

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

Mr. Fritz Giesecke
Trammell, Rand, Nathan & Lincoln
1000 Potomac Street, N.W.
Washngton, DC 20007

Re: MUR 2229

Dear Mr. Giesecke:

The Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2229. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and §437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

R 9040731648

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

R 9904073 1649

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

Honorable Byron L. Dorgan
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Dorgan:

This letter will acknowledge receipt of a complaint filed by you which we received on August 28, 1986, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the North Dakota State Republican Party and Layton Freborg as Chairman, People For Mark Andrews and Robert C. Rust as Treasurer, Mr. Bert B. Rand, Mr. Marion E. Harrison, Mr. Fritz Giesecke, Mr. Peter Lind, and Mr. W. T. Butcher. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as the original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter under review MUR 2229. Please refer to this number in all future correspondence. If you have any questions, please contact Retha Dixon at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosure

8904073150

GCC#1626

MUR 2229

Lind & Nault, Inc., P. S.

86 SEP 26 A8:28

ATTORNEYS AT LAW
2122 112TH AVENUE N.E.
BELLEVUE, WASHINGTON 98004
TELEPHONE (206) 455-4240

PETER M. LIND
ERIC H. LIND
PETER L. NAULT

OF COUNSEL
STEPHEN T. ARAKI
RICHARD D. ATHERTON

SEP 26 P2:36

September 23, 1986

Lawrence M. Noble
Deputy General Counsel
Federal Election Commission
Washington, DC 20463

Dear Mr. Noble:

I would like to advise you that pursuant to the complaint received today, I have forwarded my power of attorney to Jonathon Schraub, Esq., to represent me. If you do not hear from him, please contact me.

For your general information, the allegations against me are essentially correct, in that I obtained the copy of the marriage license as a courtesy to another lawyer. I was not paid in any way and was not advised that the document had any election overtones.

I will be happy to cooperate in any way you feel would be helpful.

Very truly yours,

PETER M. LIND

PML/lc

8904073165 1

FEC
GCC#1652
86 SEP 29 P12:03

ND REPUBLICAN P·A·R·T·Y

September 24, 1986

RECEIVED
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL
86 SEP 29 P 3:25

Federal Election Commission
Washington, D.C. 20463

Attention: Charles N. Steele
General Counsel

RE: MUR 2229

Dear Counsel Steele:

Please be advised that the North Dakota State Republican Party (NDRP), the N.D. Republican Executive Committee, the N.D. State Republican Central Committee and all officers in the N.D.R.P. deny all of the items and charges detailed against us in the complaint identified by the number "MUR 2229."

8904073 1652

Respectfully submitted,

Layton W Freborg

Layton W. Freborg
State Chairman

I attest that the above statement is true and correct to the best of my knowledge.

Layton W Freborg

Beaverly Walcker

BEAVERLY J. WALCKER
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires AUG. 31, 1990

701-255-0030 • P.O. BOX 1917 • BISMARCK, NORTH DAKOTA 58502

BCC 1680
FEC
HAND DELIVERED
86 OCT 3 A8:30

GOLDEN, FREDA & SCHRAUB, P. C.
ATTORNEYS AT LAW
SUITE 300
1625 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 939-6000

MICHAEL D. GOLDEN
ROBERT J. FREDA*
J. JONATHAN SCHRAUB*
DAVID A. IRWIN
CAROLINE E. BLAKELY
CAROLYN D. FLURY*
SUSAN O'HEARN TEMKIN
SUSANNE DYE ROSE
WARREN S. OLIVERI, JR.*
SYLVIA LESSE*
THOMAS J. MOORMAN
MURIEL N. FELDMAN*
ANTHONY P. LEECH*

*ALSO ADMITTED IN MARYLAND
*ALSO ADMITTED IN VIRGINIA
*NOT ADMITTED IN DISTRICT OF COLUMBIA

VIRGINIA OFFICE
6849 OLD DOMINION DRIVE
SUITE 410
McLEAN, VIRGINIA 22101

MARYLAND OFFICE
BARRISTER'S PLACE, SUITE 7
751 ROCKVILLE PIKE
ROCKVILLE, MARYLAND 20852

TELECOPIER
(202) 387-6236

October 2, 1986

86 OCT 3 A11:28

BY MESSENGER

Mr. Lawrence M. Noble
Deputy General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2229

Dear Mr. Noble:

This law firm represents Messrs. Bert Rand, Fritz Giesecke and Peter Lind in matters pertaining to MUR 2229 currently pending before the Federal Election Commission. We are herewith requesting a 20-day extension of time in which to respond to the Complaint in this matter on behalf of Messrs. Rand and Giesecke. Without an extension, the response would be due on Monday, October 6, 1986.

We are compelled to request this extension because Mr. Giesecke is currently unable to speak due to a medical problem, and thus is unable to effectively communicate with us (or anyone) regarding the facts underlying this matter. Mr. Giesecke is currently undergoing treatment for contact granuloma, a throat and vocal chord disorder. He was admitted to the Fairfax Hospital on September 17th for a laser microlaryngoscopy with biopsy and removal of a lesion, and was released with medical orders not to attempt to speak or otherwise use his voice for a period of several weeks.

Because we have been unable to speak with Mr. Giesecke, we have been unable to review in detail the facts underlying this matter, and thus, we have been unable to prepare a complete response to the Complaint filed by Rep.

9204073165 3

Dorgan and Mr. Conrad. Because Mr. Rand and Mr. Giesecke acted cooperatively regarding the matters which underlie the Complaint and because certain facts are exclusively known to Mr. Giesecke, we are unable to submit a response on behalf of either Mr. Rand or Mr. Giesecke. (Because Mr. Lind's involvement in these matters was minimal, we will submit a response on behalf of Mr. Lind within the initial 15-day period.)

In light of the above, we respectfully request a 20-day extension of the time for Messrs. Rand and Giesecke to respond to the Complaint in MUR 2229, which would result in a due date of Friday, October 24. This request is made in accordance with instructions provided to us by Ms. Kimberly Bright-Coleman, in telephone conversations on September 30 and October 1, 1986.

We believe that a 20-day extension will be adequate. If, however, Mr. Giesecke's condition does not improve as anticipated, we will advise you.

If you have any questions, please do not hesitate to call me or Susanne Dye Rose of this firm.

Sincerely,

GOLDEN, FREDA & SCHRAUB, P.C.

By: _____
J. Jonathan Schraub

By: _____
Susanne Dye Rose

JJS/SDR:kas

cc: Bert B. Rand, Esquire
Fritz Giesecke, Esquire
Ms. Kimberly Bright-Coleman

8904073164

[redacted] OF WASHINGTON, D.C.

MUR 2229

NAME OF COUNSEL: GOLDEN, FREDA & SCHRAUB, P.C.

ADDRESS: 1625 MASSACHUSETTS AVE., NW, SUITE 300

WASHINGTON, D.C. 20036

Designated Attorneys: J. Jonathan Schraub and Susanne Dye Rose

TELEPHONE: (202)939-6000

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

October 2, 1986
Date

Signature

RESPONDENT'S NAME: BERT B. RAND

ADDRESS: 1000 POTOMAC ST., N.W., SUITE 302

WASHINGTON, D.C. 20007

HOME PHONE: (703)536-6562

BUSINESS PHONE: (202)965-6300

8904073165 5

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2229

NAME OF COUNSEL: GOLDEN, FREDA & SCHRAUB, P.C.

ADDRESS: 1625 MASSACHUSETETS AVE., NW, SUITE 300

WASHINGTON, D.C. 20036

Designated Attorneys: J. Jonathan Schraub and Susanne Dye Rose

TELEPHONE: (202)939-6000

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Sept 25, 1986
Date

Fritz H. Giesecke
Signature

RESPONDENT'S NAME: Fritz H. Giesecke

ADDRESS: 5708 Quiet Brook Rd.
Fairfax, VA 22030

HOME PHONE: (703) 278-8432

BUSINESS PHONE: (202) 965-6300

8904073165 56

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2229

NAME OF COUNSEL: GOLDEN, FREDA & SCHRAUB, P.C.

ADDRESS: 1625 MASSACHUSETTS AVE., NW., SUITE 300

WASHINGTON, D.C. 20036

Designated Attorneys: J. Jonathan Schraub and Susanne Dye Rose

TELEPHONE: (202)939-6000

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9/22/86
Date

Peter M. Lind
Signature

RESPONDENT'S NAME: Peter M. Lind

ADDRESS: 2122 112th Ave. NE

Bellevue, WA 98004

HOME PHONE: (206) 885-4920

BUSINESS PHONE: (206) 455-4240

R 9 0 4 0 7 3 1 6 5 7

THE FEC
OCC 1685
86 OCT 3 P12:02

W. T. BUTCHER & ASSOCIATES, Ltd.
1424 W. CENTURY AVE. SUITE 106, BISMARCK, ND 58501 (701) 224-1541

September 30, 1986

Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

RE: MUR 2229

Dear Mr. Steele:

Reference is made to your letter dated 9/12/86 and to my response dated 9/30/86.

In your letter you stated that "This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and §§ 437g(a)(12)(A) unlesss you notify the Commission in writing that you wish the matter to be made public."

I hereby authorize and encourage the Federal Election Commission to make my letter, with enclosures, available to the public.

Sincerely,

W. T. Butcher
Individually and as President of W. T. Butcher & Associates, Ltd.

WTB:lak

86 OCT 3 P3:58

8904073158

W. T. BUTCHER & ASSOCIATES, Ltd.
1424 W. CENTURY AVE. SUITE 106, BISMARCK, ND 58501 (701) 224-1541

September 30, 1986

Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

RE: MUR 2229

Dear Mr. Steele:

Receipt of your letter dated 9/12/86 advising that Byron L. Dorgan and Kent Conrad submitted a complaint dated 8/27/86 alleging that I may have violated certain sections of the Federal Election Campaign Act of 1971 is acknowledged. The letter arrived in my office on 9/18/86.

A review of the complaint, which was enclosed with your letter, reveals claims that I, as a respondent and "agent" of a respondent, disregarded the contributions and/or expenditure limitations and reporting requirements of the Federal Election Campaign Act of 1971 in ongoing efforts to secure the defeat of the Democratic nominees in the upcoming general election. This relates to alleged investigations which I conducted into the backgrounds of Dorgan and Conrad, for which I allegedly received as much as $100,000.

Let me begin by stating that both W. T. Butcher & Associates, Ltd., a North Dakota corporation, and I are licensed to conduct private investigations by the North Dakota Attorney General. I have been engaged solely in this business since December 1982, and my agency is the largest of its kind in the state. In the normal course of business, we conduct numerous background investigations for a variety of clients and purposes. My agency resume is attached as Exhibit 1.

On 3/5/86, I received a telephone call from Marion Edwyn Harrison of Scott, Harrison & McLeod, Washington, D.C., requesting that an investigation be conducted into Dorgan's background. He did not identify his client, but said that a substantial portion of his law practice involved representing agricultural interests throughout the country. He added that Dorgan's wife, Kimberly Sue Olson, represents foreign agricultural and mining interests in a house committee of which Dorgan is a member, and that Olson was primarily responsible to insure that U.S. import regulations are lightened and that quotas are not imposed on foreign imports. A copy of my in-house memo dated 3/6/86 relating to that telephone conversation is enclosed as Exhibit 2. A copy of

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Scott, Harrison & McLeod retainer check #2636 dated 3/7/86 in the amount of $500 is enclosed as Exhibit 3.

Based upon the above, an investigation was initiated in regards to Dorgan on 3/20/86, and consisted of obtaining information from public records and from persons in a position to know Dorgan's background.

No investigation was ever requested by Harrison or anyone else relative to Conrad, and none was conducted by my agency or me.

It was reported by the Associated Press (AP) that sometime in April 1986 one of my investigators, Dan Houfek, contacted Dave Thompson, News Director of Public Radio station KCND-FM in Bismarck, for two items; first, a letter to the media from North Dakota State Tourism Director, Jim Fuglie, complaining about the manner in which North Dakota's weather was being reported, and, second, a tape of a speech made by Conrad as a candidate for public office at a public meeting. Houfek confirms that he did call Thompson relative to the Fuglie letter, but denies making any inquiry about the Conrad tape or identifying himself as an investigator.

On 8/7/86 Houfek engaged Thompson in a telephone conversation in this regard. At the beginning of the conversation, Houfek confirmed that he had requested a copy of the Fuglie letter, but denied requesting the Conrad tape. Shortly into the conversation, Houfek commenced recording it and a transcript of that recorded conversation is enclosed as Exhibit 4. Thompson stated that he has no independent recollection of Houfek making an inquiry relating to Conrad. Thompson said that an AP reporter, later identified as Rick Vernaci, first contacted him about the alleged Houfek inquiry and said that he had obtained the information from an independent source. A short time later, Thompson telephoned me and stated that, in reflection, he was quite sure that Houfek had not asked for the Conrad tape but had only asked for the Fuglie letter. He said that he had advised the AP and other reporters of his failure to recall such a request, and intended to call Conrad to inform him of same. Not long afterward, Thompson called back to state that he had talked to Conrad about it and that Conrad told him "not to worry about it."

On 5/13/86 an investigative report was forwarded to Harrison along with a billing. The bill totaled $2,282.76, less $500 credit, leaving a balance due of $1,782.76. Scott, Harrison & McLeod check #3060 dated 6/2/86 in the amount of $1,782.76 was received and a copy is enclosed as Exhibit 5.

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On 6/25/86, Harrison's secretary telephonically advised that Harrison would like the Dorgan investigation continued. Again, no investigation relating to Conrad was requested and none was conducted. No additional payments have been made by Harrison or anyone else relating to the Dorgan investigation.

The complainants allege that anonymous packets sent to various newspapers contain information obtained in the course of my investigation. I have reviewed the anonymous packet, enclosed with your letter, and unequivocally state that no information contained therein was obtained by my agency. I have no idea who sent the anonymous packets to the various newspapers, nor am I aware of any investigation, other than my own, relative to Dorgan. I am aware of no investigation whatsoever having been conducted in regard to Conrad.

I have obtained no information from nor made contact regarding the Dorgan investigation with the North Dakota State Republican Party or with the People for Mark Andrews. I had never heard of Bert Rand, Fritz Giesecke, or Peter Lind prior to reading about them in the newspapers, and have never had personal contact with them. I have no personal knowledge that Rand is Harrison's client in this matter, nor do I have any idea who Rand's client is, if any. To date, I have no reason to believe that Harrison was not completely truthful when he stated that he represented U.S. agricultural/timber interests.

The complainants allege that "those involved in this surreptitious enterprise have refused to respond candidly to inquiries regarding the investigations and their participation in them." I have never been contacted directly by Dorgan or Conrad nor any of their agents, except those who are members of the media, for any accounting of my activities. I have responded as candidly and honestly as I can to inquiries made by the media, with due respect to the wishes of my client. That is to say that I did not divulged the subject of my investigation nor the identity of my client until my client made that information public, nor have I discussed the findings of the investigation.

I assert that I have not violated any provision of the Federal Election Campaign Act of 1971 or any other law that might be alleged in the complaint. This assertion is made individually and on behalf of W. T. Butcher & Associates, Ltd.

I resent the fact that Dorgan and Conrad have used members of the media, and state and federal officials as their agents to attack my business and me for their own political purposes. During the past two months, every aspect of my business has been scrutinized and questioned by government officials and by the media. As a five-year naval officer, with the highest of security clearances,

9204073161

as a former FBI agent, and as an independent businessman, I place high value upon my reputation for honesty and ethical professional conduct. I believe that it is improper for Dorgan and Conrad to use the powers of their respective offices to harass and intimidate a small businessman such as myself. While their actions to divert attention from an apparent conflict of interest on one hand and a lack of name recognition on the other may not legally constitute election fraud, they certainly have the appearance of same.

In closing and pursuant to your instructions, please be advised that I have not obtained legal counsel in regards to this matter.

Sincerely,

W.T. Butcher
Individually and as President of W. T. Butcher & Associates, Ltd.

WTB:lak

Exhibits enclosed:

1. W. T. Butcher & Associates, Ltd. agency resume
2. Butcher in-house memo dated 3/6/86
3. Scott, Harrison & McLeod check #2636 dated 3/7/86 in the amount of $500
4. Transcript of Houfek/Thompson telcon of 8/7/86
5. Scott, Harrison & McLeod check #3060 dated 6/2/86 in the amount of $1,782.76

8904073116662

W. T. BUTCHER & ASSOCIATES, Ltd.
1424 W. CENTURY AVE. SUITE 106, BISMARCK, ND 58501 (701) 224-1541

A PROFESSIONAL INVESTIGATIVE AND SECURITY AGENCY

W. T. Butcher & Associates, Ltd. is bonded and licensed by the Attorney General for North Dakota and operates throughout the upper midwest. With offices in Bismarck, Fargo, Minot, Dickinson and Williston, North Dakota, the Agency provides a wide range of investigative, security and related services to the legal and insurance communities, as well as to government, financial institutions, businesses, and the general public. Former FBI agents, other experienced investigators and consulting associates have the expertise to provide quality service and articulate reports in a timely manner.

INDEX OF OFFERINGS

	Page
Overview of Services	2
Investigations	3
Security Services	3
Court Reporting	3
Process Serving	3
Repossession of Property	3
Appraisals	4
Location of Assets	4
Mineral Evaluations	4
Accident Scene Reconstruction	4
Skip Tracing	4
Missing Persons	5
The National Business Crime Information Network	5
Individual Information Center	5
Staff Profiles	6
Associated Consultants	8
Fee Schedule	9
Professional Affiliations	10
Recommendations	10

QUALITY SERVICE ARTICULATE REPORTS

9/86

OVERVIEW OF SERVICES

LEGAL

Plaintiff Representation
Industrial/Oil Field Accidents
Location Of Assets
Fraudulent Insurance Claims
Medical Malpractice
Photographic/Recorded Evidence
Workers' Compensation "Third Party"
Civil/Criminal Defense
Government Record/Title Searches
Ascertaining Financial Ability
Accident Scene Reconstruction
Tracing Heirs/Mineral Owners
Jury Profiles
Surveillance
Fire Cause and Origin Determinations

FINANCIAL

Location of Assets
Title Searches
Conversion/Collateral Inquiries
Repossessions
Skip Tracing
Financial Analyses
Real Estate and Chattel Appraisals

VIDEO

Accident Scene Documentation
Depositions
Estate Documentation
Injury Documentation
Statements
Living Wills
"A Day In The Life" Documentation

SECURITY

Anti-Business Abuse Programs
Physical Security Audits
Pre-Employment Screening
Proprietary Data Protection
Security Seminars
Security Guard Service
Risk/Loss Analysis
Internal Controls
Executive Protection
Charitable Gambling Inquiries
Confidential Research Projects
Labor Relations/Strike Management & Planning

PUBLIC

Confidential Investigations
Missing Persons/Skip Tracing
Celebrity Protection
Individual Information Center
Confidential Research Projects
Mineral Evaluations

GOVERNMENT

Independent "Third Party" Investigations
Confidential Research Projects
Suspect Claims
Training Seminars
Real Estate and Chattel Appraisals

8904073164

HOUFEK: "Yeah. Right. They keep coming back to that, however, you know, in a more indirect manner. I guess that's what finally prompted me to give you a call, Dave. You know, like I can see in your eyes, it probably has gone away for all practical purposes. And, you know, I guess with me being involved -- I'm not involved -- you know, it hasn't gone away, if you can see it from my perspective."

THOMPSON: "Yeah. Absolutely."

HOUFEK: "You know, so like I say, I just did want to call you and try to clarify that. I did not, I did not make a request for anything on Kent Conrad."

THOMPSON: "Well, I'm glad you called."

HOUFEK: "Okay. Could you let me know, maybe, on what develops?"

THOMPSON: "I certainly will."

HOUFEK: "And what happens?"

THOMPSON: "You bet."

HOUFEK: "All right. Thank you so much."

THOMPSON: "You bet."

8904073-1579

COURT REPORTING

PROCESS SERVICE

INVESTIGATIONS

Successful investigations reflect the influence of diverse areas of knowledge and experience. Traditional approaches, combined with up to date technology, computerized information systems and wise case management, are critical to success. Our investigators and consultants have unique areas of expertise as well as broad based experience enabling them to develop cases for optimum results. We assign the right persons to the job and assure competence and total objectivity. We take pride in being responsible stewards of our time and expenses when working a case. In summary, we pledge our close attention and best effort in each investigation.

SECURITY SERVICES

We provide experienced and close supervision of carefully selected security officers to fit your individual needs. Our management personnel have extensive background and expertise in the security field. Our officers are well trained, professional in appearance and demeanor, and capable of dealing competently with any situation. We will help you assess your needs, analyze risks, and design your own security program. We offer these services at very competitive rates.

COURT REPORTING

Certified and competent court reporters are available for depositions, hearings, statements, meetings, and conventions throughout North Dakota. Video depositions are also available. Personal attention, reasonable rates, and timely delivery are assured.

PROCESS SERVICE

Prompt and personal attention is given to the service of all process at competitive rates. Our client receives a properly executed affidavit of service, or, in the case of non-service, can be assured that a timely and serious effort to accomplish service through checks at known addresses, places of employment, neighbors, friends, and a credit bureau has been made. Timely personal attention is the real difference, and private enterprise makes that difference.

REPOSSESSION OF PROPERTY

Every day creditors have difficulty with debtors who are unable to meet their loan obligations. Our agency assists in cases requiring the repossession of property pledged as security for such loans.

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APPRAISALS

Real estate and mineral appraisals are provided by highly trained and experienced real estate and mineral appraisers. Our professional appraisers are experienced in agriculture, residential, investment, commercial, and mineral property appraisals.

LOCATION OF ASSETS

Physical and title searches for, and the location of assets, real estate and chattel. Investigations include the determination of unauthorized disposition of assets, conversions, real estate and chattel used as loan collateral.

MINERAL EVALUATIONS

Expert opinions as to the value of minerals in North Dakota are rendered, based upon courthouse and state records, consultation with brokers and geologists, and experience. Minerals are normally evaluated for purposes of potential investment or sale, estate planning, financial statements and taxes. Evaluations are, of course, the expert and calculated opinions of appraisers.

ACCIDENT SCENE RECONSTRUCTION

This specialty involves the determination, from all available sources of information, the specific causes of an accident involving motor vehicles. It is a science which requires extensive training and experience and is very precise in terms of technique and presentation. As opposed to normal investigative reporting procedure, however, it calls for conclusions which can stand up in a court of law. Our consultants are highly trained, competent, and experts in the field. Their technical conclusions are based upon information supplied by official records and investigations conducted by agency investigators.

SKIP TRACING

Skip tracing is the process by which a person is located. This program is geared primarily for locating persons who are attempting to avoid payment of debt. To be successful, it is critical to obtain initially as much information as possible concerning the "skip." From that point on, the process involves having a close working relationship with law enforcement, searching computerized data banks, and working through various nationwide organizations. It is through these relationships, data banks, and organizations that we have been able to develop and sustain an exceptional success rate. The minimum fee for skip tracing is $35. If we are successful in locating the "skip," the fee is $100 plus actual expenses such as long distance telephone calls and mileage.

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MISSING PERSONS UNLIMITED

Missing Persons Unlimited, Inc. (M.P.U.) is a nationwide organization with the sole purpose of finding missing persons for a reasonable and standard fee. M.P.U. has undertaken an extensive selection process to insure that the very best private investigators represent them in strategic locations throughout the United States and its territories. We work with law enforcement agencies and activate an extensive network of people agencies and information systems in our efforts to locate missing persons. Because of this and a set, reasonable standard fee for everyone, we feel that M.P.U. is the final solution to this very serious national problem. A standard fee of $500 is required to implement an M.P.U. investigation, and an additional $2,500 is paid only if the missing person is located. Of course, if a client prefers to have an investigation that is not as broad in scope as M.P.U. provides, individual arrangements can be made.

THE NATIONAL BUSINESS CRIME INFORMATION NETWORK

The National Business Crime Information Network is an effective program that combats "business abuse." Its purpose is to help deter and detect business abuse with a unique combination of awareness and participation, and it is comprised of two elements: The Network and Prevention System Awareness Materials. The Network is an information gathering and reporting service, involving a nationwide toll-free number that employees or customers may call with the guarantee of anonymity. We, as representatives of The Network, then report to client companies. If requested, our investigators will work with your company to prove or disprove allegations of business abuse. Printed Prevention System Awareness Materials are used to create employee and customer awareness. We can provide complete information concerning the cost-effective and proven program that can make a significant impact on any company's bottom line . . . profit.

INDIVIDUAL INFORMATION CENTER

The Individual Information Center (I.I.C.) is a service for anyone who has the need to know about the history of another person. I.I.C. reports provide credit and character information, which is essential in making decisions of whether or not to lease to, employ, or do business with an individual. We look forward to answering questions and helping managers and businessmen utilize this cost-effective approach to the management of properties, business and people.

8904073167

STAFF PROFILES

BISMARCK Telephone 224-1541

BILL BUTCHER - Fifteen year FBI veteran with broad-based private investigative background and experience. Special expertise in oil and gas, fraud and Native American investigations. Vice-chairman of the North Dakota Private Investigative and Security Board. Licensed.

KEN WILL - Eighteen years of public law enforcement and private security experience in all areas of investigations and physical security. Certified Protection Professional and Commissioned Security Officer. Member of the North Dakota Private Investigative and Security Board. Licensed.

LYNN PAGEL - Formerly a security supervisor for Basin Electric Power Cooperative and Bismarck realtor. Graduate work in Business Administration. Coordinates Individual Information Center. Licensed.

DAN HOUFEK - Ten years as Administrator/Investigator of Burleigh County State's Attorney's Child Support Enforcement Program, and previously a social worker primarily involved with juveniles and neglect/abuse cases. Coordinates repossession and asset locations. Registered.

CLETUS SCHMIDT - Former U.S. and Morton County Clerk of Court and member of North Dakota Bar Association. Past President of Burleigh County Bar Association. Registered.

JOHN PETERSON - Investigator with extensive oil field, real estate and business experience. Handles mineral evaluations. Registered.

MATT FROELICH - Financial investigator with extensive business and insurance experience. Long-time owner/operator of Bismarck livestock auction. Registered.

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FARGO Telephone 235-0802

DAN SMITH - Ten year veteran with the North Dakota Bureau of Criminal Investigation and the North Dakota Drug Enforcement Unit. Drug Unit supervisor and regional loss prevention manager for a national oil company. Registered.

DENNIS QUAM - Security and law enforcement experience for thirteen years in the Red River Valley. Cass County business owner for five years. Registered.

JERRY LAUER - In-house investigator for a prominent Fargo law firm for eighteen years and an insurance claims manager for eighteen years prior to that. Registered.

MINOT Telephone 852-5621

ARNOLD SCHIMKE - Retired North Dakota Highway Patrol (NDHP) Captain and graduate of FBI National Academy. NDHP District Commander in Williston and Jamestown. Six years experience in the insurance business in Minot. Registered.

DICKINSON Telephone 264-7164

TOM PICKEN - Twenty-five year FBI veteran with subsequent experience in industrial and hotel security. Graduate of UND Law School. Registered.

WILLISTON Telephone 572-0359

BILL BOSLEY - Owner/operator of Williston based energy company. Mineral broker, licensed abstracter and oil field trouble shooter. Registered.

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COURT REPORTERS

ELIZABETH A. KRUMM - Senior Court Reporter - Bismarck

SANDRA C. MOSHER - Court Reporter - Bismarck

JUDY JOHNSRUD - Court Reporter - Fargo

ASSOCIATED CONSULTANTS

MEL UDLAND - Investigative consultant who is widely recognized throughout North Dakota as an expert accident scene reconstructionist, with extensive practical experience and training in this field. Udland is certified by the North Dakota Attorney General as an Accident Investigation Instructor. A summary of his extensive qualifications is available to qualify him as an expert reconstructionist.

TOM WILLOUGHBY - Fire cause and origin consultant with over forty years of experience and training. Twenty-seven years with the Minot Fire Department, including fifteen years as Assistant Chief and Training Officer. Ten years as an Assistant Fire Marshal with the North Dakota Fire Marshal's office. Past President of the North Dakota State Fire Association.

TRI-VIDEO PRODUCTIONS INC - Founded by a group of well respected and established Mandan and Bismarck businessmen, and offering the most advanced video equipment available with highly trained and experienced operators. Tri-Video Productions also offers home inventory video services.

The services of specialty area consultants, such as Certified Public Accountants, physicians, forensic scientists, engineers, alarm technicians, and still and video photography experts, are available as required.

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FEE SCHEDULE

Fees

Investigative Services	$35/hr plus expenses
Security Services	Available on bid basis
Video Services	$40/hr plus expenses
Accident Reconstruction Expert Services	$40/hr plus expenses
Fire Cause and Origin Determinations	$40/hr plus expenses
Mineral Evaluations	$35/hr plus expenses
Missing Persons Unlimited	See page 5
The Network Prevention System	Available upon request
Process Service	Available upon request
Individual Information Center	Available upon request
Skip Tracing	See page 4
Location of Assets	Available upon request
Repossession	Available upon request
Appraisals	Available upon request
Administrative (clerical)	$15/hr
Court Reporting:	
Appearance Fee	$25/hr plus expenses
Typed Deposition per page	$2.25/original & copy
Typed Medical Deposition per page	$2.50/original & copy
Expedited Depositions	$.20 additional/page
Deposition Copies	
--additional	$ .25/pg
--to separate party	$ .75/pg

Expenses

Mileage	$ .35/mile
Lodging	Actual
Subsistence (overnight)	$30/day
Long distance telephone calls	$3.00*
Photograph prints	$1/print**
Copies	$ .25/pg
Miscellaneous	Actual

* - Extended or international calls will run more.
** - Prints larger than 3x5 will run more.

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PROFESSIONAL AFFILIATIONS

Society of Former FBI Agents
National Association of Legal Investigators
American Society of Industrial Security
Council of International Investigators
World Association of Detectives
Missing Persons Unlimited
American Association of Petroleum Landmen
National Shorthand Reporters Association
North Dakota Shorthand Reporters Association
North Dakota Private Investigative and Security Board
North Dakota Insurance Advisory Council
North Dakota Landman's Association
Independent Community Banks of North Dakota
Greater North Dakota Association
Bismarck Area Chamber of Commerce
Bismarck/Mandan Apartment Owners Association

9904073167 2

RECOMMENDATIONS

Martindale-Hubbell Law Directory

Best's Directory of Recommended Insurance Attorneys

Individual attorney, insurance company, financial institution and other references are available upon request.

MEMORANDUM

DATE: March 6, 1986

FROM: W. T. Butcher

SUBJECT: Byron Dorgan Inquiry

FILE #: P86-339

On 3/5/86, Marion Edwin Harrison of the law firm Scott, Harrison, & McLeod, 2501 M Street Northwest, Fourth Floor, Washington, DC 20037, telephone 202/861-1234, telephonically requested assistance in a background investigation relating to U.S. Representative Byron Dorgan. Harrison said that he serves on the Board of Governors of the American Bar Association. Harrison, who answers to Marion, is 54 years of age and is active in Republican politics, particularly through senators in Virginia. Also, he said, approximately one-half of the income of his law firm is derived from representing agricultural interests throughout the country.

Harrison said that he wants the investigation to be kept as confidential as possible. Harrison did not say who his client is, but apparently it is some sort of an ag lobbying group. Harrison gave professional references and said that his background could be found in Martindale-Hubbell.

Harrison said that Dorgan married his third wife about a year ago in Washington, DC. She is twenty-seven years old, born on 8/8/58 at Arlington, Washington, and he described her as a lobbyist working for APCO. APCO is a lobbyist group which is about one year old and which is a subsidiary for the very large, prestigious, and liberal Arnold & Porter law firm in Washington, DC. APCO undoubtedly stands for Arnold & Porter Company. Dorgan's wife, who goes by her maiden name, Kimberly Sue Olson, represents major foreign interests, including the Canadian Forest Industries Council, the Chilean copper industries, and others. These interests are primarily interested in insuring, through Olson, that U.S. import regulations are lightened and that quotas are not imposed. Olson represents these interests with the House Ways & Means Committee, of which Byron Dorgan is a member.

Dorgan's first two marriages ended in divorce and are as follows:

Divorced from first wife on 12/14/73 at Bowbells, North Dakota.

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Divorced from second wife in about January 1980 in Bismarck, North Dakota.

It is Harrison's understanding that in each of the divorce files in the respective courthouses is contained the court reporter's notes of oral testimony taken in the case. They are not transcribed unless a copy is ordered and probably, in both cases, a copy has not been ordered. His primary purpose is to establish a clear record of the testimony in both cases. That is to say that, if a transcription was not made, it should be. He has no problem with the transcription being made by WTB&A, if the court reporter's notes can be accurately transcribed. If not, the original court reporter will have to do it.

Harrison would have no problem in having the former wives interviewed or anyone else being interviewed who is in a position to know. Those interviewed can be assured that there is no litigation pending in this regard and there will not be. They can further be assured that their names will not be divulged to anyone other than the client and that confidentiality will be maintained.

No discussion of price was made, although Harrison was more than happy to send a retainer. I told him that was not necessary. We also discussed my association with former Dorgan opponent Kent Jones, and, according to recent press accounts, potential Dorgan opponent Dina Butcher. He said that this was not a problem.

Bill will handle.

9904073167 4

SCOTT, HARRISON & McLEOD
(202) 861-1234
2501 M STREET, N.W., 4TH FLOOR
WASHINGTON, DC 20037

FIRST AMERICAN BANK, N.A.
WASHINGTON, DC

002636

15-4
540 2

DATE	AMOUNT
March 7, 1986	$500.00**

PAY Five hundred and 00/100 dollars**********

TO THE ORDER OF W.T. Butcher Associates, Inc.

P86-339 "002636" :054000043: 3 344 804"

retainer

8904073163757

8/7/86

THOMPSON: "You know, it is possible I may have gotten you confused, because that did happen a couple months ago."

HOUFEK: "It did, huh?"

THOMPSON: "Yeah. And let me just tell you that I did not volunteer that information. A.P. called and said that they had heard that from somebody else."

HOUFEK: "Had heard what?"

THOMPSON: "Had heard that you had called me and asked about that."

HOUFEK: "Oh, really?"

THOMPSON: "Now, I normally -- I don't say anything."

HOUFEK: "Uh-huh."

THOMPSON: "But they asked me to confirm it and I said, 'That's the way I remember it.'"

HOUFEK: "Did they say where their source -- what their source was?"

THOMPSON: "No. I asked them what their source was. They said -- they did not tell me."

HOUFEK: "No, Dave. I, you know, like I say, I just did not ask anything on Kent Conrad. Just the Jim Fuglie information was the extent of my inquiry. What, you know, like you say, you apologize now --"

THOMPSON: "Uh-huh."

HOUFEK: "Is there anything, I guess, that can be done to rectify that situation?"

THOMPSON: "Well, I'll talk to the Associated Press if nothing else."

HOUFEK: "I would certainly appreciate that, Dave."

THOMPSON: "Uh-huh."

HOUFEK: "'Cause I, you know, I didn't make the request. And needless to say I was very confused when I saw that information in the paper."

THOMPSON: "Uh-huh."

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HOUFEK: "But you know, like I say, I -- and that's immediately what went through my mind is that you certainly must have gotten me confused with someone else that had requested that information."

THOMPSON: "It is very possible. I get about three or four requests a month --"

HOUFEK: "Oh, sure."

THOMPSON: "-- from different people."

HOUFEK: "Right. I'm sure of that. That's very common in your situation."

THOMPSON: "Yeah."

HOUFEK: "Well, yeah, you know, I guess that I would like to have you do that. Call your source and, you know, if some sort of a retraction could be made, I would certainly appreciate that."

THOMPSON: "And you are sure you did not ask for it?"

HOUFEK: "No, Dave, I did not. Like I say, that Jim Fuglie information, yes, I did ask you for that."

THOMPSON: "Uh-huh."

HOUFEK: "And you did send that to me. I, I don't recall saying that I was with Butcher & Associates. I don't recall --"

THOMPSON: "No. You didn't tell me that."

HOUFEK: "I guess that's the way it came out in the paper."

THOMPSON: "Yeah. And the paper was wrong."

HOUFEK: "Yeah. You know, it insinuated, I guess at least as far as I read it, it insinuated that I had said that I was with an investigation firm or doing an investigation or something like that. And this request that I had made concerning the Fuglie information was strictly on a personal basis. And that's why I had you send it to my home address. You know, it had absolutely nothing to do with any of my professional dealings. But like I say, the Fuglie information was the extent of what I asked you for that day, Dave. It really was."

THOMPSON: "Okay. I can buy that because like there was no attempt on my part to hide anything or to say anything that was wrong or anything like that."

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HOUFEK: "Uh-huh. Yeah. I understand that. I never doubted your motives or your integrity or anything like that."

THOMPSON: "No. I have absolutely no ax to grind with you --"

HOUFEK: "Yeah. I know."

THOMPSON: "-- with the Butcher firm, with anybody."

HOUFEK: "Sure. I understand. I never had any -- I've always felt that you were a very fair and accurate reporter, and you still are. But, unfortunately, I guess your memory failed you this time."

THOMPSON: "It's possible and I'll admit to it. Sure. That's no problem with me."

HOUFEK: "Okay. Well, yeah, -- well, like I say I would like to see something come out clarifying that if that's at all possible."

THOMPSON: "Okay."

HOUFEK: "You're more familiar with your business than I am and how to deal with that."

THOMPSON: "I'll see what happens. I know that, just between you and I, --"

HOUFEK: "Uh-huh."

THOMPSON: "-- the A.P. has pretty much dropped all that out of their story anyway."

HOUFEK: "Yeah. Well, I guess, I guess I had felt that, I kind of wanted to let it go and see where it was leading and that type of thing. I thought that it was going to be dropped by now. Unfornately the Forum, yesterday, still had a very short paragraph -- sentence probably -- you know, referring to that request that had been made for --"

THOMPSON: "Uh-huh."

HOUFEK: "-- information on Kent Conrad. It did not, you know, mention my name or anything like that. My name was only in the paper, I think, Sunday as far as I can tell."

THOMPSON: "That's the only time that I remember you being mentioned."

8904073-1578

P86-198 "0000598 2" :0913110701: 024-406"

SCOTT, HARRISON & McLEOD
(202) 861-1234
2501 M STREET, N.W., 4TH FLOOR
WASHINGTON, DC 20037

FIRST AMERICAN BANK, N.A.
WASHINGTON, DC

003060

18-4
540 2

DATE
June 2, 1986

AMOUNT
$1,782.76**

PAY One thousand seven hundred eighty two and 76/100 dollars ***

TO THE ORDER OF
W.T. Butcher & Associates, LTD.
1424 W. Century Avenue,
Suite 106
Bismarck, ND 58501

1424 W. CENTURY AVE. SUITE 106, BISMARCK, ND 58501 (701) 224-1541
W.T. BUTCHER & ASSOCIATES, LTD.

P86-339 "003060" :054000043: 3 344 804"

890407316R0

GCC#1693

HAND DELIVERED
86 OCT 6 P2:57

GOLDEN, FREDA & SCHRAUB, P. C.

ATTORNEYS AT LAW
SUITE 300
1625 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 939-6000

MICHAEL D. GOLDEN
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DAVID A. IRWIN
CAROLINE E. BLAKELY
CAROLYN D. FLURY*
SUSAN O'HEARN TEMKIN
SUSANNE DYE ROSE
WARREN S. OLIVERI, JR.*
SYLVIA LESSE*
THOMAS J. MOORMAN
MURIEL N. FELDMAN*
ANTHONY P. LEECH*

*ALSO ADMITTED IN MARYLAND
*ALSO ADMITTED IN VIRGINIA
*NOT ADMITTED IN DISTRICT OF COLUMBIA

VIRGINIA OFFICE
6849 OLD DOMINION DRIVE
SUITE 410
McLEAN, VIRGINIA 22101

MARYLAND OFFICE
BARRISTER'S PLACE, SUITE 7
751 ROCKVILLE PIKE
ROCKVILLE, MARYLAND 20852

TELECOPIER
(202) 387-6236

October 6, 1986

HAND DELIVERED

Mr. Lawrence M. Noble
Deputy General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

86 OCT 6 P4:47

Re: MUR 2229

Dear Mr. Noble:

This law firm represents respondent Peter W. Lind in matters pertaining to the above-captioned action. On October 2, 1986, we forwarded Mr. Lind's Statement designating this firm as his Counsel.

The Complaint against Mr. Lind should be summarily dismissed under the procedures specified in 11 C.F.R. § 111.7, because it fails to provide any reason to believe that Mr. Lind violated any federal election laws.

Mr. Lind had no substantial involvement in any events which form the basis of the Complaint. His sole involvement is as follows:

Mr. Lind, a practicing attorney in Washington state, has known Bert Rand professionally and socially for many years. On or about October 1, 1985, Mr. Rand telephoned Mr. Lind and asked if Mr. Lind could obtain a copy of the marriage certificate for Byron L. Dorgan and Kimberly Sue Olson.

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Shortly thereafter, Mr. Lind obtained a copy of the certificate from the Washington State Department of Social and Health Services, where such documents are maintained as public records, and sent it to Mr. Rand. Mr. Lind did not expect or receive compensation from Mr. Rand or anyone for this small service, but instead performed it as a personal favor to Mr. Rand.

Mr. Rand did not state the reason for his request and Mr. Lind did not inquire as to it. As noted, he simply obtained the certificate as a personal favor to Mr. Rand.

Above and beyond this single action, Mr. Lind has no knowledge of any of the facts, circumstances or allegations contained in the Complaint.

The action by Mr. Lind in obtaining a single public record clearly did not violate any federal election laws. Mr. Lind took no actions and incurred no expenses for the purpose of influencing a federal election.

Accordingly, the Complaint against him should be dismissed.

Very truly yours,

GOLDEN, FREDA & SCHRAUB, P.C.

By: _____
J. Jonathan Schraub

and: Susanne Dye Rose
Susanne Dye Rose

JJS/SDR:kas

cc: Peter W. Lind, Esquire
Kimberly Bright-Coleman, Esquire

9204073168 2

GCC#1686

September 29, 1986

RE: MUR 2229

I, Robert C. Rust, Treasurer for the People for Mark Andrews Committe, swears to my best belief and knowledge, that neither the Campaign Committee, anyone in its employ, nor any other individual or organization have in any way been involved in initiating or receiving any information from any source what so ever, from an investigation into the private lives of Byron Dorgan or Kent Conrad.

Therefore, I respectfully suggest that this is a frivolous complaint, one that merits no serious consideration by the Commission.

I stand ready to answer every and all questions that either you or the Commission members might have.

Robert C. Rust

Robert C. Rust, Treasurer
People for Mark Andrews Committee
P. O. Box 1773
Fargo, ND 58107

RECEIVED
FEDERAL ELECTION COMMISSION
OCT 6 A 9:40

9904073168 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 8, 1986

J. Jonathan Schraub, Esquire
Susanne Dye Rose, Esquire
Golden, Freda & Schraub
1625 Massachusetts Avenue, N.W.
Suite 300
Washington, D.C. 20036

RE: MUR 2229
Bert B. Rand
Fritz H. Giesecke

Dear Mr. Schraub and Ms. Rose:

This is in response to your letter dated October 2,1986 in which you request a twenty day extenson of time to respond to the allegations against your clients, Bert B. Rand and Fritz H. Giesecke.

I have reviewed your request and agree to the requested extension. Accordingly your response is due no later than October 24, 1986. If you have any questions, please contact Kim Bright Coleman at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

8904073184

SENSITIVE

RECEIVED
BEFORE THE FEC
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
999 E STREET, N.W.
WASHINGTON, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

86 OCT 9 A10:08

Date and Time of Transmittal By OGC to the Commission _____

MUR 2229
Date Complaint Received By OGC
August 28, 1986
Date of Notification to Respondent
September 12, 1986
Staff: Kim Bright Coleman

Complainant's Name: Byron L. Dorgan
Kent Conrad

Respondent's Name: North Dakota State Republican Party
People for Mark Andrews
Bert B. Rand
Marion E. Harrison
Fritz Giesecke
Peter Lind
William T. Butcher

Relevant Statutes: 2 U.S.C. §§ 431(9), 441a(a)(1), 441a(d), 441b, 434, 432

Internal Reports Checked: None

Federal Agencies Checked: None

SUMMARY OF ALLEGATIONS

On August 29, 1986, Representative Byron L. Dorgan, who is seeking reelection as a Democratic candidate in North Dakota, and Kent Conrad, a Democratic Senatorial candidate, filed a complaint with the Commission alleging various violations of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq. (the "Act" or "FECA".) The complainants allege that the North Dakota State Republican Party ("State Party"), several individuals acting as its agents, including Bert B. Rand, Peter

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Lind, Fritz Giesecke, Marion E. Harrison, and William T. Butcher violated the Act by conducting an investigation into their backgrounds and mailing materials obtained as a result of this investigation to the press. The complaint contends that the investigation and mailings were done to benefit the reelection campaign of Senator Mark Andrews, a Republican, and, therefore, payments for these activities were expenditures made to influence a federal election.

The complaint alleges that the State Party violated 2 U.S.C. § 441a(d) by failing to allocate the payments for the investigation and mailings to its coordinated expenditure limitation. The complaint asserts, in the alternative, that the payments made by the individuals involved constituted in-kind contributions to the State Party or the Andrews campaign. Also, the complainants contend that if the activities at issue were undertaken by the individuals involved independently of the State Party, payments for these activities triggered political committee status and they violated 2 U.S.C. §§ 432 and 434 by failing to register and report to the Commission. Furthermore, the complaint alleges reporting violations because neither the State Party nor the Andrews committee reported the expenditures for the investigation and mailings.

Respondents were notified of the complaint in this matter on September 12, 1986. By letter dated October 2, 1986, counsel for Bert Rand and Fritz Giesecke requested an extension of time to respond to the complaint. This response is currently due on

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October 24, 1986. Once all of the responses are received, the Office of General Counsel will make a further report to the Commission with appropriate recommendations.

Charles N. Steele
General Counsel

Date 10/6/86

BY: _____
Lawrence M. Noble
Deputy General Counsel

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October 8, 1986

86 OCT 15 P3:55

Kim Bright-Coleman, Esquire
The Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2229

Dear Ms. Bright-Coleman:

We refer to the letter of Lawrence M. Noble, Esquire, Deputy General Counsel, Federal Election Commission, dated September 12, 1986, which arrived in our prior offices on September 18.

For the past several weeks Marion Edwyn Harrison has been trying cases in Hartford, Connecticut and Fort Lauderdale, Florida. He is due back in the office next week and will respond to the Complaint soon thereafter.

Sincerely,

Donna Reed

Donna Reed
Secretary to
Marion Edwyn Harrison

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GCC#1833
Coleman

GOLDEN, FREDA & SCHRAUB, P. C.

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October 24, 1986

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RECEIVED
FEDERAL ELECTION
GENERAL COUNSEL

HAND-DELIVERED

Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: (1) MUR #2229
(2) MUR# 2251

Dear Mr. Steele:

This law firm represents Mr. Bert B. Rand who is named as a Respondent in MUR# 2229 and MUR# 2251 and Mr. Fritz H. Giesecke who is named as a Respondent in MUR# 2229. Because the two (2) Complaints relate to the same occurrrence and involve the same parties, this response is submitted on behalf of Mr. Rand for both Complaints and on behalf of Mr. Giesecke for MUR# 2229.

Both Complaints should be summarily dismissed under the procedures specified in 11 C.F.R. § 111.7, inasmuch as both fail to state any reason to believe any federal election law or regulation has been violated by any of the

Respondents.1/ The claims in these Complaints against these Respondents are frivolous and merit summary dismissal.

I. ISSUE PRESENTED

The Complaints raise only one issue that could fall within the legal jurisdiction of this Commission. The issue presented is this:

> Whether the actions of private citizens (for whatever reason undertaken) in assembling publicly available documents and submitting the same to a newspaper which then determines in its own editorial discretion that the information submitted is newsworthy and accordingly directs its own reporters to prepare news stories and prints the same, is violative of any federal election law.

Far from violating any election law, such activities fall squarely within the protection of the First Amendment. (See, Legal Analysis Section IV, infra at p. 7).

Other "issues" purportedly raised by the Complaint are in fact non-issues and without any legal significance to the business of this Commission. These "issues" - - really non-issues - - include the background report prepared by Mr. Butcher; Mr. Conrad's wholly unsupported allegation that

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1/ In fact, the only violation that is evident is that of the Complainants in MUR# 2229 in distributing to the working press verbatim copies of this Complaint. Such action is in clear contravention of 11 C.F.R. § 111.21(a). These Respondents respectfully request that the Commission investigate the circumstances surrounding the public disclosure of the Complaint in MUR# 2229 and take appropriate action against Complainants for their violation of the regulations in this respect. The immediate dissemination of the Complaint in MUR# 2229 to the working press highlights the real purpose behind such a frivolous document. It is simply another step in Complainants' continuing effort to influence the upcoming North Dakota political election by implying to the press that Respondents have violated federal election law and that this can be tied to the incumbent Republican Senator Mark Andrews.

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he was investigated by someone; and inferences and innuendos with respect to alleged, but totally unsupported and untrue, relationships between these respondents and respondent People for Mark Andrews. These matters are raised by Complainants for political advantage and do not belong before this Commission. (See, Non-issues, Section III, infra at p. 6.)

II. FACTS

The facts relevant to this matter are clear and simple.

Mr. Bert B. Rand is an attorney and a partner in the law firm of Trammell, Rand, Nathan & Lincoln in Washington, D.C., where he has practiced since 1946. At no time has he engaged in political affairs. Mr. Fritz H. Giesecke is an attorney who maintains an independent practice in which he has often been associated with Trammell, Rand, Nathan & Lincoln. Both Mr. Rand and Mr. Giesecke have had close associations with the timber industry, and Mr. Giesecke is an Oregon timber owner. Over the years Mr. Rand worked closely with major west coast law firms on matters related to the timber industry, including close affiliation with the Portland and Seattle law firm of Schwabe, Williamson, Wyatt, Moore & Roberts.

In the fall of 1985, the Schwabe law firm transmitted to Mr. Rand a copy of a timber publication called "Steve Forrester's Northwest Letter". In this publication, Ms. Kimberly Sue Olson was reported to be a lobbyist for the Canadian timber industry. Mr. Rand was asked if he knew or could determine whether or not there was any truth to the rumor that Ms. Olson was now married to a Congressman from North Dakota who was a member of the House Ways & Means Committee which was considering timber related issues. Numerous articles were then appearing in such publications as the New York Times concerning the dispute between the U.S. and Canadian timber industries over alleged subsidies. (It is noted that on October 16, 1986 the U.S. Department of Commerce levied a tariff of 15% against Canadian Timber Imports based on Canadian Government subsidies.)

Mr. Rand asked Mr. Giesecke to look into this matter as an accommodation on both their parts to the west coast law firm. Neither Mr. Rand nor Mr. Giesecke was ever "retained" by anyone in this matter and there was no intention of charging anything to anyone for this service and nothing has

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ever been charged. Mr. Giesecke obtained from the public clippings library maintained by the North Dakota Republican party (hence the numerical code of which complaintants make so much) published news clippings with respect to Mr. Dorgan, and Ms. Olson. In addition, Peter Lind, as an accomodation to Mr. Rand, obtained the public marriage license documents maintained by the State of Washington. These materials were mailed by Mr. Rand to the west coast law firm.

In or about March 1986, Mr. Giesecke examined the public records of the Department of Justice concerning Ms. Olson and her lobbying activities on Capitol Hill. He was shocked by information which appeared to establish a serious conflict of interest, to the detriment of the U.S. timber industry.

When Mr. Rand returned from a trip to South America, in or about March 1986, he and Mr. Giesecke discussed the conflict of interest matter and agreed that it would probably be of importance to the timber industry. They felt it important to ascertain whether Ms. Olson or Mr. Dorgan were involved in such activities in North Dakota, and asked Mr. Marion E. Harrison, an attorney with a wide acquaintance in that area, if he could identify anyone in North Dakota who could make inquiries in this matter.

In or about June of 1986, Mr. Harrison furnished a report to Mr. Rand prepared by a North Dakota private investigator, William Butcher. The Butcher report did not contain information relevant to the conflict of interest question and was therefore of no interest to Mr. Rand or Mr. Giesecke. Accordingly, the report was shelved. The report was never made public or used for any purpose in any way. Mr. Harrison submitted invoices which his firm had paid to Mr. Butcher in the amount of approximately $2,000.00. Trammell, Rand, Nathan & Lincoln reimbursed Harrison's law firm, and charged this expenditure to Mr. Rand, personally. No one has ever reimbursed Mr. Rand nor has he ever requested reimbursement. The only other expenditures in connection with this matter involved incidental disbursements of Mr. Rand and Mr. Giesecke, which they absorbed themselves. No fees were billed or paid by Scott, Harrison & McCleod, Trammell, Rand, Nathan & Lincoln, Mr. Harrison, Mr. Rand, Mr. Giesecke, or anyone else, other than to Mr. Butcher.

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In or about June 1986, at the request of Mr. Rand, Mr. Giesecke sent to the west coast law firm, for whatever interest they might have, a copy of the public documents obtained. These included:

1. New York times newspaper clippings describing the Canadian - U.S. wood export problem in the light of imminent session of the United States Congress.

2. Copies of extracts from APCO Associates file at the Department of Justice Foreign Agents Registration Unit showing APCO Associates and its employee Kimberly Sue Olson's congressional lobbying activity on behalf of Canadian timber interests during the Fall of 1985.

3. Copies of newspaper clippings indicating sensitivity of Congressman Dorgan to maintaining secrecy concerning his wife.

4. A copy of the marriage certificate of Byron L. Dorgan and Kimberly Sue Olson.

At the same time, Mr. Giesecke expressed his personal indignation with respect to the information which he had discovered, and with Mr. Rand's agreement, mailed a copy of these public documents (hereinafter the "timber lobby package") to the press. On June 29, 1986, the Bismarck Tribune, apparently having made its own determination of the newsworthiness of these public documents, published at least part of the material in articles authored by its own reporters.

Neither Mr. Rand nor Mr. Giesecke have, in any way, made or directed to be made, any inquiries concerning Mr. Conrad, Mr. Dorgan's successor as North Dakota State tax collector.

At no time was Senator Andrews made aware of the inquiries or the interest of Mr. Rand and Mr. Giesecke in the alleged timber lobbying activities of Ms. Olson and Mr. Dorgan, which they believed represented a conflict of interest which required public dissemination.

Mr. Rand and Mr. Giesecke restate that at no time, have they made inquiries as to Mr. Kent Conrad and the fall election in which he is a candidate. They had no interest in this gentleman and did not even know his name until recently.

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Neither Mr. Rand nor Mr. Giesecke had ever heard of an organization called "People for Mark Andrews" until this Complaint was filed. Further, at no time were either Mr. Rand or Mr. Giesecke acting as agents for, on behalf of or in coordination with "People for Mark Andrews" or the North Dakota Republican State Committee.

III. NON-ISSUES

Before we turn to the legal analysis, we want to address and dispose of the "non-issues" which permeate the Complaints, are wholly beyond the purview or interest of this Commission and are designed to obfuscate the simple, protected activity engaged in by Messrs. Rand and Giesecke.

First, the Butcher investigation. Mr. Butcher conducted a legal, routine, public background check on Mr. Dorgan and his possible involvement in foreign timber import issues.

Mr. Butcher has informed the Commission that his investigation was commissioned by Mr. Harrison as an inquiry into Mr. Dorgan's background with the emphasis on information relating to Ms. Olson, Mr. Dorgan's wife, and her representation before Mr. Dorgan of foreign agricultural and mining interests.

When submitted, the Butcher report was found to be irrelevant to the question of Mr. Dorgan's alleged conflict-of-interest. Accordingly, it was shelved. To the best of the knowledge of these Respondents the Butcher investigation has never been disseminated to anyone for any purpose, nor was it used by these Respondents, or to their knowledge anyone else, in any other way for any other purpose. Complainants do not and cannot allege any evidence to the contrary.

In terms of this Commission's jurisdiction and interest, the Butcher investigation is a non-event.

The second non-issue is Mr. Kent Conrad. Mr. Conrad is a pure volunteer. Mr. Conrad was (and is) of no interest or concern whatever to Mr. Rand or Mr. Giesecke. To their knowledge, Mr. Conrad has no relationship or bearing on the timber lobby issue and there was never any need, any decision or any mandated effort to conduct any "investigation" related

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to Mr. Conrad. No information with respect to Mr. Conrad was ever disseminated to anyone except for one factual sentence in the timber lobby package that identified Mr. Conrad as Mr. Dorgan's successor and now a candidate for the United States Senate.

Mr. Conrad's efforts to inject himself into this matter is obviously promoted for his personal political purposes. His thinking is obvious. Mr. Rand and his wife maintain a social acquaintance with Conrad's opponent, Senator Andrews and his wife. From this Conrad assumes (and requests that this Commission assume) a relationship between Mr. Rand and the "People for Mark Andrews" committee and accordingly charges this committee in his Complaint. He follows by claiming the inquiries as to Ms. Olson's and Mr. Dorgan's possible timber industry conflict of interest is an undertaking to interfere in his campaign against Senator Andrews. To the press, he labels this sophistry "dirty tricks" and, of course, leaves Senator Andrews, who is unaware of this entire matter, trying to disprove a negative.

In terms of this Commission's jurisdiction and interest, the Conrad Complaint is also a non-event.

IV. LEGAL ANALYSIS

In their Complaint, Representative Dorgan and Mr. Conrad allege that the Respondents' actions violated the Federal Election Campaign Act ("FECA") in three ways.

First, they claim that the North Dakota Republican Party and/or People for Mark Andrews, acting through agents Messrs. Rand, Giesecke, Harrison and others, violated FECA spending limits by conducting expensive investigations into the private lives of Rep. Dorgan and Mr. Conrad for the purpose of defeating Rep. Dorgan and Mr. Conrad in this Fall's federal elections.

Second, Complainants claim that the North Dakota Republican Party and/or People for Mark Andrews violated FECA regulations by failing to report expenditures incurred by its agents Rand, Giesecke, et al.

Third, as a fall-back position, the Complainants allege that even if the North Dakota Republican Party and/or Senator Andrews were not involved, the remaining Respondents

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violated FECA rules by failing to register as a political committee.

The first and second allegations fail to withstand even minimal scrutiny. If the alleged "expensive investigation" refers to the Butcher investigation, it is of no legal import to this Commission who authorized it or for what reason. The Butcher investigation was never disseminated to anyone, and Complainants do not allege to the contrary. The Butcher investigation was never used to influence any federal election and Complainants cannot allege to the contrary. Further, the Butcher Investigaton was never concerned with or involved Conrad, who was obviously a "volunteer" for his own purpose. It is a legal non-event over which this Commission has no jurisdiction.

If the alleged "expensive investigation" is the timber lobby package, actions taken to collect such public information and the decision of a North Dakota newspaper to print it are protected First Amendment activities and fall outside the purview of Federal Election Campaign Act.2/

Certainly, there is not an iota of evidence to link People for Mark Andrews with the timber lobby package. Conversely, there is not an iota of evidence that any inquiries were concerned with Conrad or the Conrad-Andrews election contest.

The only claim remaining is that Respondents Rand and Giesecke violated FECA rules by failing to register as a

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2/ Finally, although this matter is fully disposed of as a matter of law by an analysis of te complained of activities themselves, the allegations concerning the relationship among the Respondents, although irrelevant, is patently untrue. Messrs. Rand and Giesecke, as stated above, acted on their own account. There is no evidence presented to support the politically motivated allegation that Messrs. Rand and Giesecke were "agents" for Senator Mark Andrews or for the People for Mark Andrews or anyone else. Further, as stated above, even if the allegations of inter-relationship were true, they are legally meaningless inasmuch as the sole activity undertaken - the collection of the timber lobby package and the independent decision of a newspaper to print news stories based upon it - is not within the purview of this Commission and is within the purview of the First Amendment.

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political committee. This claim is totally inconsistent with (a) the First Amendment, (b) a plain reading of FECA, and (c) clear case law regarding the types of activities which require registration as a "political committee".

Under 2 U.S.C. § 433(a), every "political committee" is required to register as such by filing a "statement of organization" with the Federal Election Commission ("FEC"), and political committees are subject to certain record-keeping and reporting requirements. A "political committee" is defined, in pertinent part, as "any . . . group of persons which receives contributions aggregating in excess of $1,000 during a calendar year or which makes expenditures aggregating in excess of $1,000 during a calendar year," 2 U.S.C. § 431(4)(A). "Expenditure" is in turn defined, in pertinent part, as "any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made by any person for the purpose of influencing any election for Federal office," 2 U.S.C. § 431(9)(A)(i), while "contribution" is similarly defined as "any gift, loan, advance or deposit of money or anything of value . . . for purpose of influencing any election for Federal office." 2 U.S.C. § 431(8)(A)(i).

Respondents Rand and/or Giesecke engaged in two activities regarding Rep. Dorgan which Rep. Dorgan apparently believes require registration as a political committee:

(1) Mr. Rand and Mr. Giesecke allegedly caused the Butcher investigation to be conducted regarding Rep. Dorgan (but not Mr. Conrad); and,

(2) Mr. Rand and Mr. Giesecke gathered the publicly-available timber lobby information regarding Mr. Dorgan's marriage to lobbyist Ms. Kimberly Sue Olson and Ms. Olson's lobbying activities, and sent that information to the North Dakota press.

Regarding the Butcher investigation, there is absolutely no authority which supports the proposition that the act of conducting or commissioning a legal investigation into a Congressman's background, and shelving the results of that investigation, is an activity subject to regulation by FECA. Complainants have produced not one scintilla of evidence which suggests that the Butcher investigation was initiated for the purpose of influencing any election, nor have they shown that the report was used for the purpose of

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influencing an election, because, in fact, the report was not used at all. Complainants have accused the "People for Mark Andrews" Committee but have not shown any inquiries or investigation of Mr. Conrad, the Andrews opponent. It is further significant that the Complainants ignore Mr. Dorgan's opponents' Committee. The Butcher report was not released to anyone, and the facts disclosed in the report were not used as "seeds" for any further investigation or action. Neither Mr. Rand nor Mr. Giesecke -- or anyone -- made any "expenditures", as that term is defined in 2 U.S.C. § 431(4)(A), regarding the Butcher investigation. Accordingly, the Respondents' actions which caused the Butcher investigation, and the subsequent payment for the investigation, do not constitute activities which are regulated under FECA.

The only remaining claim is that Respondents' actions in compiling the timber lobby package and sending it to newspapers required them to register as a political committee.

As noted, registration as a political committee is required if any group of persons spends or receives over $1,000 to influence Federal elections. Respondents did not spend or receive over $1,000 in the course of compiling and sending the timber lobby package, but even if they had, they would not be required to register as a "political committee" because their creation and distribution of the package was not undertaken "for the purpose of influencing" a federal election. Further, their activities regarding the timber lobby package are protected from FECA regulations by the First Amendment.

In the timber lobby package, Mr. Rand and Mr. Giesecke publicized the fact that a U.S. Congressman, who happened to be from North Dakota, was married to a woman who lobbied her husband on behalf of foreign interests. They questioned the propriety of the couple's actions by implying that the situation yielded an improper influence in the setting of national policy and demonstrated questionable ethics on the part of Mr. Dorgan. Mr. Rand and Mr. Giesecke judged this conflict of interest to be a matter of keen public interest, a judgment which was apparently correct because several newspapers chose to print stories based on the facts Mr. Rand and Mr. Giesecke presented. Further, on October 16, 1986, the U.S. Commerce Department took punitive action against the Canadian Timber Industry.

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The timber lobby package exemplifies the type of communication granted the broadest protection under the First Amendment, because it is precisely the type of expression regarding governmental affairs that the First Amendment was designed to protect. As the Supreme Court noted:

> Whatever differences may exist about interpretations of the First Amendment, there is practically universal agreement that a major purpose of the Amendment was to protect the free discussion of governmental affairs. This, of course, includes discussions of candidates, structures, and forms of government, the manner in which government is operated or should be operated, and all such matters relating to political processes.

Mills v. Alabama, 384 U.S. 214, 218-19 (1965), cited in American Civil Liberties Union, Inc. v. Jennings, 366 F. Supp. 1041, 1051 (D.D.C. 1973).

In Buckley v. Valeo, 424 U.S. 1 (1976), the Supreme Court affirmed the heightened constitutional protection afforded to public discussion of political affairs:

> Discussion of public issues and debate on the qualifications of candidates are integral to the operation of the system of government established by our Constitution. The First Amendment affords the broadest protection to such political expression in order 'to assure [the] unfettered interchange of ideas for the bringing about of political and social changes desired by the people.'

Buckley, 424 U.S. at 14 citing Roth v. United States, 354 U.S. 476, 484 (1957).

In Buckley, the Supreme Court upheld Congress's primary purpose in enacting FECA -- to end corrupt campaign financing and the appearance of such corruption -- as a valid governmental objective. 424 U.S. at 26-29. However, the Court held that because FECA sought to regulate political speech pertaining to elections, the Act must be construed

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narrowly to avoid impermissably broad restraints on critical First Amendment freedoms.

The Buckley Court recognized that discussion of national issues is often inextricably intertwined with election matters:

> [T]he distinction between discussion of issues and candidates and advocacy of election or defeat of candidates may often dissolve in practical application. Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various public issues, but campaigns themselves generate issues of public interest.

424 U.S. at 42. Because FECA's regulation of campaign-influencing activities necessarily infringes upon the "free discussion of governmental affairs," the Court held that FECA was constitutional only if narrowly construed to reach only those activities which are closely related to campaign contributions and financing, not to all activities which, in fact, have some influence on federal elections.

Regarding the specific scope of the term "political committee," the Court noted that the determinative phrase "for the purpose of influencing" federal elections has the "potential for encompassing both issue discussion and advocacy of a political result," and that a broad reading of the phrase could cause the term "political committee" to encompass "groups engaged purely in issue discussion." 424 U.S. at 79.

In order to avoid vagueness invalidity which would result if every group of persons who discussed national affairs was required to register as a political committee if their activities happened to influence an election, the Buckley Court held that the words "political committee" "only encompass organizations that are under the control of a candidate or the major purpose of which is the nomination or election of a candidate." Id. (Emphasis added).

By the content of the timber lobby package, by the fact that it was distributed to newspapers to print if they

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found it newsworthy, and by Respondents' explanation of their actions, it should be obvious that influencing the election of Byron Dorgan and/or Kent Conrad was not even a secondary purpose -- much less a "major" purpose -- of Respondents' activities regarding the timber lobby package, and that, accordingly, they were not required to register as a political committee.

Since the enactment of FECA, numerous elected officials who were disgruntled by negative publicity (which they felt harmed their re-election prospects), have filed suit claiming that the authors of such publicity violated Federal election laws by failing to register as a political committee, or otherwise failing to comply with provisions of FECA applicable to expenditures "for the purpose of influencing" federal elections. In all such cases, the courts have found that FECA did not apply, because the messages were aimed primarily at publicizing national issues and/or criticizing positions or actions taken by federal officials, not at influencing the election or defeat of candidates, even though the expenditures may have had the effect of influencing federal elections.

In United States v. National Committee For Impeachment, 469 F.2d 1135 (2d Cir. 1972), the Federal Election Commission claimed that an organization which, in May 1972, placed an advertisement in the New York Times calling for the impeachment of President Nixon was a "political committee" because the purchase of the ad constituted an "expenditure" or "contribution" "for the purpose of influencing" a Federal election. The definition of a "political committee" in FECA as it existed then was substantially the same as it is today, being, in essence, any group of persons which receives contributions or makes expenditures "for the purpose of influencing" a Federal election in excess of $1,000 in any calendar year.

The ad was entitled "A Resolution to Impeach Richard M. Nixon as President of the United States," and contained the text of a House of Representatives resolution seeking the impeachment of President Nixon on the basis of his Vietnam war policies, together with quotations relating to governmental issues, other advocacy statements and an "Honor Roll" of members of Congress who had signed the resolution.

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The FEC claimed that "publication alone" of such an advertisement is an "'obvious' political activity that was intended to further the candidacies of the Congressmen so 'honored'," Id. at 1139, and that the ad constituted an election-related "expenditure" subject to FECA because "with respect to the upcoming election for President and Vice-President of the United States, the National Committee derogates President Nixon's stand on a principal campaign issue--the Vietnam war," Id. at 1142. The court disposed of both arguments, stating that "[o]n the Government's thesis, every little Audubon Society chapter would be a 'political committee,' for 'environment' is an issue in one campaign after another." Id.

Noting that "Congressional concern [in enacting FECA] was with political campaign financing, not with the funding of movements dealing with national policy," id. at 1141-42, the court held that "[w]e . . . construe the Act to apply only to committees soliticing contributions or making expenditures the major purpose of which is the nomination or election of candidates." Id. at 1141.

In American Civil Liberties Union v. Jennings, 366 F. Supp. 1041 (D.D.C. 1973) (hereinafter "ACLU"), the Federal District Court for the District of Columbia considered whether an association of individuals who, in September 1972, tried to purchase a political advertisement in the New York Times criticizing President Nixon's position on school segregation, was a "political committee" subject to the registration, recordkeeping and reporting requirements applicable to such committees under FECA.

The advertisement at issue in ACLU contained many elements which could reasonably be interpreted as "election influencing." Styled as an "Open Letter to President Richard M. Nixon," it claimed that the President was "taking steps to create an American apartheid," and critized the President's support of legislation limiting Federal court action in school segregation cases. The ad also listed an "Honor Roll" of 102 representatives who voted against the legislation, and stated that the representatives "deserve your support in their resistence to the Nixon administration bill." Id. at 1058.

Despite the fact that the message involved was a paid political advertisement, that it expressly denigrated President Nixon, favorably mentioned incumbent members of

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Congress, many of whom were running for reelection, was released approximately one and a half months before the November presidential and congressional elections, and was likely to have a substantial effect on the upcoming elections, the court found that the ad was not purchased for the purpose of influencing a Federal election, because it was focused more on issues than on candidates. Id. at 1045, 1056. The court emphasized that the registration, recordkeeping and reporting requirements applicable to "political committees" under FECA pertain "only to committees soliciting contributions or making expenditures the major purpose of which is the nomination or election of candidates." Id. at 1057, citing United States v. National Committee For Impeachment, 469 F.2d at 1141.

In a more recent case, Federal Election Commission v. American Federation of State, County and Municipal Employees, 471 F. Supp. 315 (D.D.C. 1979)(hereinafter "AFSCME"), the court held that FECA does not apply to the publication of political messages aimed primarily at criticizing an incumbent candidate's past actions and positions, even though the publication is conducted in the context of a re-election campaign.

In AFSCME, the FEC claimed that a labor union of government employees was required to report its expenditure of $983.73 for posters which AFSCME printed and distributed in May of 1976 (before the presidential elections), which showed Gerald Ford wearing a button reading "Pardon Me" and embracing Richard Nixon, superimposed with a quote from a Ford speech: "I can say from the bottom of my heart -- the President of the U.S. is innocent, and he is right." 471 F. Supp. at 316. The court held that the publication and distribution of the poster was not subject to FECA.

Although AFSCME focused on whether the posters constituted "independent expenditures," the court included a general explanation regarding the applicability of FECA: "although the poster includes a clearly identified candidate and may have tended to influence voting, it contains communication on a public issue widely debated during the campaign. As such, it is the type of political speech which is protected from regulation under 2 U.S.C. § 431 et seq." Id. at 317.

All relevant federal case law is inconsistent with Complainants' position that Mr. Rand and Mr. Giesecke should

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have registered as a political committee. Further, the FEC Advisory Opinions which Complainants cited in support of their charges are inapplicable and irrelevant.

V. CONCLUSION

Respondents Rand and Giesecke have not undertaken any of their activities for the purpose of influencing an election; accordingly, FECA regulations do not apply to their actions, and the mere fact that their activities may have the effect of influencing an election is not sufficient to bring FECA into play.

Mr. Rand and Mr. Giesecke have done no more than send a well-documented letter to the editor on a matter of public concern. This is not the type of activity FECA was meant to regulate. As Mr. Justice Brandeis observed, "In our country, 'public discussion is a political duty.'" Whitney v. California, 274 U.S. 357, 375 (1927), quoted in Buckley v. Valeo, 424 U.S. at 53. Respondents Rand and Giesecke have acted to fulfill that duty in a manner fully consistent with all applicable laws.

Mr. Rand and Mr. Giesecke waive all confidentiality rights with respect to this response.

Respectfully submitted,

GOLDEN, FREDA & SCHRAUB, P.C.

Jonathan Schraub

Susanne Dye Rose

Susanne Dye Rose

cc: Bert B. Rand, Esquire
Fritz H. Giesecke, Esquire

JJS/gsm

8904073704

CERTIFICATION

I hereby certify that the factual matters contained in Section II "Facts" of this letter are true to the best of my knowledge and belief.

10/27/86
Date

Bert B. Rand

Oct. 24, 1986
Date

Fritz H. Giesecke
Fritz H. Giesecke

8904073170 5

FEC
SCC#1852
96OCT27 A10:16

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	]	
	]	
North Dakota State Republican Party,	]	
People for Mark Andrews,	]	
Bert B. Rand	]	
Marion E. Harrison	]	MUR 2229
Fritz Giesecke,	]	
W. T. Butcher,	]	
Peter Lind, and	]	
Joe Doe and Richard Roe, agents on their behalf.	]	

96 OCT 27 P12:00
GENERAL COUNSEL

8904073706

ANSWER

RESPONDENT MARION EDWYN HARRISON

I. Introduction

The Complaint states no allegation against this Respondent.

Complainants violate 2 USC §437g(a)(11), formerly §434g(a)-(12), as implemented by 11 CFR §111.21(a). This Respondent requests the Federal Election Commission (1) to find Complainants in violation and (2) to assess an appropriate penalty.

The Complaint patently is a political propaganda attempt, filed and disseminated to the press to generate publicity in an unrelated election.

In the interest of thoroughness, as distinguished from political hyperbole, this Respondent sets forth the pertinent facts and answers the limited portions of the Complaint which arguably refer to him.

II. Facts

In March 1986, Bert B. Rand, Esquire, enquired, in view of this Respondent's acquaintance with lawyers throughout the country (largely by virtue of this Respondent's service as a Governor of the American Bar Association and other bar activities), if this Respondent could identify some one in North Dakota to conduct a background investigation of Representative Byron Dorgan and Miss Kimberley Sue Olson, a lobbyist believed to be Mr. Dorgan's third, and current, wife. This Respondent had no acquaintance with Mr. Dorgan, his wives, Respondent North Dakota State Republican Party ("Respondent Party") or Respondent People for Mark Andrews ("Respondent People"). Mr. Rand is a prominent attorney and a friend and business associate of many years of this Respondent. Such enquiry led to the retaining of W. T. Butcher & Associates, Ltd., a licensed North Dakota detective agency, for a background investigation of Mr. Dorgan and Miss Olson.

The investigation had nothing to do with any other person.

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This Respondent knew that Mr. Rand never had been in politics and had interests over the years in the timber industry and in the Pacific Northwest. Further, this Respondent was informed that Miss Olson lobbied against American timber interests under her maiden name and without disclosure of the fact that she was married to a Member of Congress before whom, and before whose Committee, she lobbied.

There is nothing unlawful, unusual or irregular inherent in a background investigation of a lobbyist or of a politician.

This Respondent, in retaining the Butcher firm, requested a background investigation; furnished photocopies of public documents provided by Fritz H. Giesecke, Esquire, (documents available to any member of the public); and delineated the investigation to Mr. Dorgan, Miss Olson and nobody else. This Respondent advised that this investigation was a commercial proposition inasmuch as Mr. W. T. Butcher enquired as to whether there were political implications.

A file routinely was opened in the law firm of Scott, Harrison & McLeod, labeled "DORGAN"; said law firm mailed a retainer check (signed by two partners) to the Butcher agency in the sum of $500.00; and awaited a report. In May a report and a further billing, in the amount of $1,782.76, were received. This

Respondent transmitted the report to Mr. Giesecke. Two Scott, Harrison & McLeod partners (other than this Respondent) signed the check in payment of the billing, which check was mailed to the Butcher agency. Photocopies of the two checks and of the identification portion of the billing memorandum are attached.

The role of this Respondent was concluded.

III. Answer to Allegations

1. This Respondent is not now, and never has been, an agent of Respondent Party or Respondent People and has no connection with, or knowledge of, either entity.

2. This Respondent has taken no action involving Mr. Kent Conrad.

3. This Respondent has mailed no material into North Dakota other than to the Butcher agency.

4. The Complaint is drafted so inartfully that a more definitive answer is precluded.

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IV. Law

This Respondent's limited activity fully is protected by the First Amendment. Any citizen has the right, whether as an accommodation to another person, or on his own initiative, to retain a detective agency to investigate a lobbyist and her husband. A Member of Congress is entitled to no privilege or immunity in this context beyond that to which any citizen is entitled.

The Federal Election Campaign Act of 1971, as amended, 2 USC §§431 et seq., is inapplicable. This Respondent neither has spent, nor authorized the spending of, any monies for the purpose of influencing a federal election. 2 USC §§431 (8)(A); 11 CFR §100.7. Consequently, there has been no contribution.

Complainant Conrad has insinuated himself into an investigation unrelated to him. Both Complainants have invoked the procedures of the Federal Election Commission to stir up a self-serving political tempest rather than to enforce the law.

The Federal Election Commission can take no action against this Respondent, even including conciliation, because Respondent neither has violated law nor engaged in any conduct within Federal Election Commission jurisdiction.

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V. Waiver of Confidentiality

This Respondent waives confidentiality.

VI. Prayer

The Federal Election Commission should:

1. Summarily dismiss the Complaint. 11 CFR §111.7(b).

2. Find Complainants in violation of 2 USC §437g(a)(11), formerly §437g(a)(12), as implemented by 11 CFR §111.21(a).

3. Assess an appropriate penalty against Complainants.

4. Direct Complainants to cease and desist from further violation of law.

MARION EDWYN HARRISON

October 23, 1986

9904073711

District of Columbia)
) ss
City of Washington)

Subscribed and sworn to before me this twenty-~~seventh~~ 26th day of October 1986.

Notary Public

My commission expires November 14, 1989.

My Commission Expires November 14, 1989

8904073171 2

SCOTT, HARRISON & McLEOD
(202) 861-1234
2501 M STREET, N.W., 4TH FLOOR
WASHINGTON, DC 20037

FIRST AMERICAN BANK, N.A.
WASHINGTON, DC
15-4 / 540 2

003

DATE June 2, 1986

AMOUNT $1,782.76

PAY One thousand seven hundred eighty-two and 76/100 dollars***

TO THE ORDER OF
W.T. Butcher & Associates, LTD
1424 W. Century Avenue,
Suite 106
Bismarck, ND 58501

John M. Harrison

P86-339 "003060" :054000043: 3 314 804" "0000178

C407313

SCOTT, HARRISON & McLEOD
(202) 861-1234
2501 M STREET, N.W., 4TH FLOOR
WASHINGTON, DC 20037

FIRST AMERICAN BANK, N.A.
WASHINGTON, DC
15-4 / 540 2

002

DATE March 7, 1986

AMOUNT $500.00***

PAY Five hundred and 00/100 dollars*****

TO THE ORDER OF
W.T. Butcher Associates, Inc.

John M. Harrison
Warren Harris

P86-339 "002636" :054000043: 3 314 804" "00000500

W.T. BUTCHER & ASSOCIATES, LTD.
1424 W. Century Ave., Suite 108
Bismarck, ND 58501
(701) 224-1541

Employer ID No. [redacted]

Invoice Date: May 13, 1986
File No.: P86-339
Ordered By: Marion Harrison
Date Received: March 5, 1986
Date Completed: May 13, 1986

To: Scott, Harrison & McLeod
2501 M Street, N. W.
Washington, D.C. 20037

Re: Byron Dorgan Inquiry

Date	Description		Amount
	PROFESSIONAL SERVICES		
3/5/86	Telephone conference with Marion Harrison		
[redacted]	Inquiry [redacted]		
	Investigation [redacted]		
	Investigation [redacted]		
	Investigation [redacted]		
[redacted]	Transcript procurement [redacted]		
	Investigation at [redacted]		
[redacted]	Transcript procurement [redacted]		
	Interview [redacted]		
[redacted]	Various telephone & personal interviews [redacted]		
	[redacted]		
[redacted]	Telephone conference [redacted]		
5/12/86	Interview [redacted]		$1,845.00
	EXPENSES		
	Lodging	$ 59.36	
	Subsistence	60.00	
	Mileage	180.60	
	Telephone calls	62.30	
	Transcripts	48.00	
	Copies	27.50	437.76

RECEIVED
MAY 19 1986

Please indicate invoice number on remittance check.

THANK YOU for allowing us to be of service to you.

TOTAL	$2,282.76
LESS CREDITS	500.00
BALANCE DUE	$1,782.76

MUR 1606

MARK ANDREWS
UNITED STATES SENATOR

September 23, 1986

Mr. Charles N. Steele
General Counsel
The Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Steele:

I am a United States Senator representing the people of the state of North Dakota. I am also a candidate for reelection to that office. Based on information contained in various media reports (attached), I am filing this complaint pursuant to the provisions of 2 USC 437g(a)(1) and 11 CFR 111.4.

These allegations, if true, may be a violation of various provisions of the Federal Election Campaign Act. Briefly, the allegations are that a Mr. Bert Rand, attorney with Trammell, Rand, Nathan & Lincoln, of Washington, D.C., hired a Mr. Marion Harrison, formerly partner with Scott, Harrison & McLeod (now Scott, McLeod, Himmelberg, Matz, Pires and Price, of Washington, D.C.) who, in turn, hired W. T. Butcher and Associates, a private investigative firm from Bismarck, North Dakota, headed by William Butcher, to investigate the personal lives of various individuals. One of these individuals, Mr. Kent Conrad, is my opponent in the upcoming election.

Based only on my personal friendship with Rand, it has been further alleged that my campaign committee, People for Mark Andrews, has received some benefit from the results of these investigations. Although neither I nor my committee had anything to do with these investigations, it is possible that a violation of one or more provisions of the Federal Election Campaign Act was committed by one or more of the individuals named in the attached clippings. However, no such information collected as a result of any investigation was accepted (knowingly or otherwise) by myself or my committee.

9904073714

RECEIVED
SEP 24 9 47
GEN. COUNSEL

A COPY OF OUR REPORT IS FILED WITH THE FEDERAL ELECTION COMMISSION AND IS AVAILABLE FOR PURCHASE FROM THE FEDERAL ELECTION COMMISSION, WASHINGTON, D.C. 20463
NOT PRINTED AT GOVERNMENT EXPENSE

While it is doubtful that a violation has occurred, enough questions have been raised to warrant your office beginning a complete and thorough investigation into this matter. The public has a clear right to have all questions concerning alleged campaign improprieties answered. It is in the spirit of my strong support for such public disclosure that I file this complaint. My staff and I stand ready to provide any assistance your office might require in its investigation.

I swear to the best of my belief and knowledge that the facts contained in this letter are true.

Sincerely,

MARK ANDREWS
United States Senator
724 Hart Senate Office Building
Washington, D.C. 20510

Jo Anne G. Brown
NOTARY
My Commission Expires February 14, 1991

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Dorgan 1 (of 3)

bist 8-3-86

The Dorgan file: Complete with private eyes and secret notes, plot to smear Democrats is year's top mystery

By GERRY GILMOUR
Tribune Staff Writer

After a month's research by various news organizations, the source of an information packet on the lobbying activities of Rep. Byron Dorgan's wife remains a mystery.

But what is emerging is a steamy political plot to smear two Democrat candidates — a plot replete with snooping private eyes and anonymous poison-pen letters.

Dorgan himself believes the whole scheme will be uncovered soon. In the meantime, it is the best whodunit of the political season, and worth a little speculation.

Indirect links to the Republican Party headquarters in Bismarck and to a local detective agency have been established. But the big question remains: Who is paying the bills and why?

The "Dorgan file" was mailed anonymously to The Washington Times in May, The Bismarck Tribune in late June and later, The Fargo Forum.

Documents in the package revealed that Dorgan's 27-year-old wife, using her maiden name of Kimberly Sue Glass, has worked as a lobbyist on behalf of Canadian timber interests against a trade proposal before the House Ways and Means Committee. Her husband is a member of that committee.

Someone or some organization went to a lot of trouble to gather the information, which has been used repeatedly by Dorgan's Republican opponent, Syver Vinje.

Friday, Vinje called on either Dorgan or his wife to resign. He said if he is elected, he will introduce legislation forbidding a member of a congressman's family to work as a lobbyist.

Vinje denies any knowledge of the source of the information on Mrs. Dorgan, and insiders say the assembling of the package began long before Vinje entered the political landscape.

The packages also contained:

- A copy of the couple's marriage license from Snohomish County, Wash.
- A variety of press clippings.

> *"I think it's the ugliest kind of politics I've seen in 15 years of public life." - Rep. Byron Dorgan*

According to well-placed Democratic sources, Rep. Dorgan knows at least some of those involved. He declined to reveal the source to the Tribune, however, and instead has been cooperating with reporters from an out-of-state news organization. Insiders say both the Washington Post and CBS News are doing their own investigations, as is the Associated Press.

Dorgan believes the effort to discredit his campaign is a major operation with payments of at least $100,000 going to four different out-of-state lawyers or law firms.

A cover letter contained in the

(More on GOP, Page 11A)

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GOP leaders deny role in 'Dorgan file'

CONTINUED FROM PAGE 1A

"Dorgan file" made reference to an article in "the Grand Forks Forum." The Forum, of course, is a Fargo paper. The mistake may indicate the package was assembled by someone unfamiliar with North Dakota.

Here's what is known so far:

• The operation to dig up dirt on Dorgan probably started last fall, when the copy of the marriage license was obtained. It is in that context that the operation must be understood.

At that time, Republicans feared Dorgan might make a run for the seat now held by U.S. Sen. Mark Andrews. The Republicans hold a narrow and shaky majority in the Senate, and a poll last spring showed Dorgan could defeat Andrews by a 2-1 margin. A poll released Oct. 5 showed Dorgan still leading 58 percent to 41 percent even after a television campaign by Andrews. The marriage license copy was obtained the next week.

'All I know about the package is what I read in the paper. We do investigations, but whatever was in that package was not gathered by myself or anyone in my office.' - William T. Butcher, private detective

It wasn't until Dec. 13 that Dorgan ended the speculation when he announced he would run instead for another term in the House of Representatives. His protege, State Tax Commissioner Kent Conrad, announced on Jan. 27 that he would take on Andrews.

Sources say the investigative effort was turned toward Conrad at that time, but no anonymous packages ever surfaced on the tax commissioner.

• The Tribune has positively established that some press clippings contained in the "Dorgan Papers" were photocopied from files at state Republican headquarters in Bismarck.

The copies could be traced to GOP headquarters because they contained the GOP's account number used by a Grand Forks clipping service.

State Republican chairman Layton Freberg said his office was definitely not involved in assembling the information on Mrs. Dorgan, although he concedes that any Republican in the state has access to the GOP clippings.

• Some documents contained in the file were obtained from a Justice Department library in Washington D.C.

Using the Freedom of Information Act, the Tribune has obtained the records of those people who checked out the documents. They include a self-employed lawyer named Fritz Gieseche who doesn't return telephone calls to the Tribune. No local connections to Gieseche have been established.

• Inside sources say William T. Butcher, a Bismarck private detective, has been overheard talking about his involvement in an investigation of Dorgan. Butcher also recently hired two former state Drug Enforcement Unit officers who were involved in taping now-Attorney General Nick Spaeth during his 1984 campaign.

Butcher, however, denies he had any role in the effort to discredit Dorgan. "All I know about the package is what I read in the paper. We do investigations, but whatever was in that package was not gathered by myself or anyone in my office."

Richard Vernaci of the Associated Press office in Bismarck reported today, however, that investigators from the Butcher agency have been gathering other information on both Dorgan and Conrad.

Records at the South Central District Court Clerk's office show that Cletus Schmidt, an investigator who joined the Butcher firm in 1988, copied part of the file on Dorgan's divorce from his second wife, Judy.

Marian Barbie, the court clerk, said she remembered getting the file for Schmidt on March 20 because she had to go to the basement of the courthouse to find it.

Those divorce papers were not part of the Dorgan file received by the Tribune.

Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

Also according to AP, in late May or early June, Dan Houfek, an investigator who joined the Butcher agency in March, tried without success to obtain tape recordings of a Conrad news conference from KCND Radio, according to David Thompson, the station's news director.

Thompson, who turned down the request, said Houfek told him he was working for an investigative firm. He did not identify it or say why he wanted the material, Thompson said.

Butcher acknowledged that Houfek and Schmidt are associated with his firm, but said, "I am not at liberty to divulge who my clients are or who the subjects of an investigation are."

'Shadowy GOP Figure Still Involved in North Dakota Politics.' - Anonymous letter

Although he would decline to gather information for politicians or parties, Butcher said he would investigate the background of a political candidate if hired by a law firm to do so.

Dorgan said, "I think it's the ugliest kind of politics I've seen in 15 years of public life. I intend to get to the bottom of this and see who is responsible."

Dorgan-

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Dorgan 3

Admitting that candidates routinely try to get information about what their opponents are doing, Dorgan said, "There's a line you don't cross. You don't hire private eyes."

Conrad said he was told "that the broad charge was to find something on Dorgan and Conrad. I have been told they ran an investigation and were not able to find anything on me and have run into a stone wall."

Whoever "they" are, Freborg told AP they are not any Republicans he knows. "I would not operate that way," he said. "I do not condone it. I speak for the North Dakota Republican Party, but I cannot speak for every living Republican."

'I would not operate that way. I do not condone it. I speak for the North Dakota Republican Party, but I cannot speak for every living Republican.' - GOP State Chairman Layton Freborg'

- Indications are that several out-of-state lawyers may be involved in gathering the information, including one in Washington State where the marriage license was obtained. If so, then someone has been working behind the scenes to set a smokescreen by tying local Republicans to the Dorgan dirt-digging.

'Quite frankly, that's not my way of doing business. Those who know me know I'm always out front.' - Darrell Williams, former press aid to Gov. Allen Olson

The Tribune obtained a copy of an anonymous letter mailed from Bismarck to Dorgan's office. It was titled "Shadowy GOP Figure Still Involved in North Dakota Politics," and pointed the finger at Darrell Williams, who was former press officer for Gov. Allen Olson. The letter claimed Public Service Commissioner Dale Sandstrom was "the mastermind" behind the operation, working with Kathryn Williams, who is Sandstrom's secretary and the wife of Williams.

John Altevogt, who was accused by Spaeth of being a Republican-hired spy during the 1984 attorney general's race, were also listed as being involved, as was Vinje.

Sandstrom, contacted in his office in Bismarck, said, "I don't know anything about it. I don't know where that package came from."

Williams, contacted in Washington, D.C., where he works for the Republican National Committee, said he had no part in gathering information there. "Quite frankly, that's not my way of doing business," he said. "Those who know me know I'm always out front. That's why I'm not (in North Dakota) anymore."

- The anonymous letter also implied Sandstrom was using an employee under his direction to mail the package from Seattle. Records at the PSC showed Patrick Fahn, a PSC engineer working for Sandstrom, was in Seattle June 16 through 20 for an engineering conference. The package received by the Tribune was postmarked June 23. Fahn, however, said he did not mail any package.

"I know I'm not involved," he said when visited at the PSC's capitol offices by a Tribune reporter. "But whoever says I did, they had to know where I was that week, and not too many people knew that I was going there. It had to be someone in this office to know about it."

Several days after the visit to Fahn, the Tribune received another anonymous letter written in block letters with a pencil that read: "When Commissioner Sandstrom says 'Jump,' Patrick Fahn says 'How high?'"

"When Sandstrom says 'Mail these letters,' Fahn asks, 'From where, Seattle'?"

Fahn and Butcher, incidentally, sing together in a Bismarck men's chorus and Fahn said Butcher may have known he was going to be in Seattle when the package was mailed.

- Whoever is behind this plot, whoever is willing to invest $100,000 in an election year probe of North Dakota Democratic candidates, has covered his trail well. Indications are that local agents, if they are involved at all, are working for a Washington D.C. lawyer who is working for another lawyer who has other lawyers working for him.

If the complicated web can ever be untangled, it could be the story of the year.

8904073718

Firm probes Dem nominees

Conrad, Dorgan believe action is politically motivated

Bismarck, N.D. (AP)

Investigators from a private detective agency have been gathering information on two Democratic congressional candidates, who say the action is politically motivated.

State Tax Commissioner Kent Conrad, the Democratic-NPL Party's candidate for the U.S. Senate, and Rep. Byron Dorgan, D-N.D., say they have been aware for several weeks that agents of W.T. Butcher & Associates Ltd. have been investigating them.

"I have heard from a half a dozen sources over the months that Mr. Butcher or employees of his firm have been snooping around about Kent and myself," Dorgan said. "Its entire connection is to the political campaign, I'm certain of that."

However, William T. Butcher, the founder of the agency, refused to confirm or deny that his company had been hired to gather information on Dorgan and Conrad.

"I work for clients, usually law firms, and I am not at liberty to divulge who my clients are or who the subjects of an investigation are," Butcher said. "I can say this, however, that I have not and I do not conduct investigations for political parties or for candidates."

Although he would decline to gather information for politicians or parties, Butcher said he would investigate the background of a political candidate if hired by a law firm to do so.

State Republican Chairman Lay-

□Probe
Page A8, Column 2



KENT CONRAD



BYRON DORGAN

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☐Probe

Continued from Page A1

ton Preborg, Sen. Mark Andrews, R-N.D., and GOP House candidate Byver Vinje all said they were not aware of an investigation of the Democrats by private detectives. All of them said they did not know who was responsible.

"I can assure you that it is not the North Dakota Republican Party," Preborg said.

Conrad is running against Andrews, and Vinje is opposing Dorgan's re-election bid.

Meanwhile, witnesses and documents show that investigators from Butcher's agency have been gathering information on Dorgan and Conrad.

Cletus Schmidt, an investigator who joined the firm in 1985, copied part of the file on Dorgan's divorce from his second wife, Judy, according to records at the South Central District Court Clerk's office.

Marian Barbie, the court clerk, said she remembered getting the file for Schmidt on March 20 because she had to go to the basement of the courthouse to find it.

Schmidt received a receipt for the $1 he spent to photocopy part of the file. The Associated Press obtained a copy of the receipt.

In late May or early June, Dan Houfek, an investigator who joined the Butcher agency in March, tried without success to obtain tape recordings of a Conrad news conference from KCND Radio, according to David Thompson, the station's news director.



LAYTON FREBORG

"He asked for a couple of things," Thompson said of his conversation with Houfek. "One was a letter that state Tourism Director Jim Pugile had written to radio stations regarding weather coverage and the other was to see if I could provide him with the copy of a tape of a Kent Conrad news conference."

Thompson, who turned down the request, said Houfek told him he was working for an investigative firm. He did not identify it or say why he wanted the material, Thompson said.

Butcher acknowledged that Houfek and Schmidt are associated with his firm.

Dorgan and Conrad said they did not know specifically who provided the money used to hire the detectives. Both said they did not know whether any use has been made of the information the detectives gathered.

"I think it's the ugliest kind of politics I've seen in 15 years of public life," Dorgan said. "I intend to get to the bottom of this and see who is responsible."

"I was told ... that the broad charge was to find something on Dorgan and Conrad," Conrad said. "I have been told they ran an investigation and were not able to find anything on me and have run into a stone wall."

Dorgan said he believed he was the target of an effort to spread unflattering information about him, including revelations about his wife, Kimberly, and her work as a lobbyist for the Canadian timber industry.

Envelopes containing copies of government documents were mailed anonymously to newspapers to call their attention to Kimberly Dorgan's activities.

Dorgan later admitted that he failed to mention his wife's employer on his 1985 financial disclosure form, which he filed last May. He said the omission was a mistake.

Copies of newspaper clippings in the anonymous envelopes bear the mark of a clipping service in Grand Forks, and alongside that is the number 66, Dorgan said. That is the account number for the North Dakota Republican Party, he said.

Preborg said it was possible the clippings came from the party's files, which are open to anyone who is a Republican. He did not know who made copies of those clippings, he said.

Those clippings could have changed hands a number of times after leaving the office, and their appearance in the anonymous envelopes is not proof that the party was involved, Preborg said.

Dorgan and Conrad keep tabs on their opponents and say the nature of politics requires it.

For example, politicians and political parties routinely examine each other's financial disclosure statements, campaign finance reports, government expense vouchers and other official documents.

On July 11, Carol Jean Larsen, press secretary to the Conrad campaign, attended a news conference called by a polling firm that has been working for Andrews and the National Republican Senatorial Committee.

Larsen asked no questions but did take notes during the news conference in Bismarck, which was held by Decision Making Information.

She also brought along copies of a statement issued by Conrad, who said later that was her reason for being there.

"Sure, you always are aware of what your opponent is saying," Dorgan said. "There's a line you don't cross. You don't hire private eyes.

"That's the most outrageous, disgusting behavior I've heard of."

Preborg said there are ways of gathering information short of using private detectives.

"I would not operate that way. I do not condone it," he said. "I speak for the North Dakota Republican Party, but I cannot speak for every living Republican."

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page 1 of 2

Herald 8-5-86

GOPer tied to probe of Dorgan

By Sid Spaeth
and Patrick Springer
STAFF WRITERS

A prominent Washington attorney said Monday that he paid a private detective to investigate Democratic North Dakota Congressman Byron Dorgan's background.

Marion Edwyn Harrison — whose involvement in Republican politics dates back more than 30 years and who was involved in fund-raising for former President Richard Nixon that came under scrutiny by a Senate committee probing Watergate — said he ordered the investigation on behalf of another law firm.

Although he acknowledged efforts to examine Dorgan's past, Harrison denied authorizing an investigation of Kent Conrad, the state tax commissioner and a Democratic U.S. Senate candidate.

Disclosure of Harrison's role in hiring a Bismarck private investigating firm prompted the announcement on Monday of his resignation from the Washington law firm of Scott, Harrison & McLeod. Partners in the firm said the firm was renamed Monday, deleting Harrison's name.

Asked about his involvement in hiring an investigator to probe the backgrounds of Dorgan and Conrad, Harrison said he only paid the firm "to investigate one person — Byron Dorgan."

Harrison said he hired the firm on behalf of Washington attorney Bert Rand. Rand could not be reached for comment late Monday.

Conrad and Dorgan have assailed the use of private detectives to investigate their backgrounds, characterizing the move as dirty politics.

"These Watergate-type dirty tricks are the worst of American politics," Dorgan said. "If Mr. Harrison is involved, I think the law firm did the right thing."

Conrad said he was certain investigators also probed his background because they requested the tape of one of his press confer-

□Probe
Back page, Column 8

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Page 2 of 2

☐Probe

Continued from Page A1

cause from David Thompson, news director of KCND radio in Bismarck.

"I believe a member of the North Dakota news media ahead of Mr. Harrison," Conrad said. "This is pretty sleazy business when you hire a private investigator to look at the background of someone who is running for federal office."

Reached at his Washington law office, Harrison said he would resign "in due time," which he described as the end of the year. Harrison is a law partner of former Republican Senate Minority Leader Hugh Scott, who represented Pennsylvania from 1959 to 1977, and a member of the American Bar Association board of governors.

The announcement of Harrison's resignation came after a lengthy meeting of the law partners Monday afternoon, which followed a meeting between Dorgan and several lawyers from the firm last week.

Alexander Pires Jr., the firm's managing partner, said that after discussing the investigation with law partners, it was agreed Harrison would resign. Pires said the other partners had not known about Harrison's role in the investigation of a political candidate, and had not authorized it.

Harrison said he was resigning because of differences with other members of the firm and that Monday's discussion was "the straw that broke the camel's back." He said he was a litigator, and the firm, formed two years ago, increasingly was becoming a lobbying firm.

While Pires said the firm's name change was effective Monday, Harrison said he plans to leave the firm at the end of the year.

Harrison figured prominently in Republican party circles.

He was a candidate for a seat on the U.S. Circuit Court of Appeals in Washington in 1985, but later withdrew his name from consideration.

Harrison reportedly played a role in 1971 in channeling campaign contributions from dairy associations to then-President Nixon's reelection campaign.

According to an Associated Press report printed in The New York Times in May of 1974, Harrison was a lawyer associated with the late Murray Chotiner, who had resigned as Nixon's special counsel and was retained by the Associated Milk Producers Inc.

On June 16, 1971, Harrison reportedly wrote a dairy cooperative executive complaining about delays in getting contributions, which the committee alleged were traded for Nixon's move to increase dairy supports.

According to testimony in 1974, milk producers promised contributions to the Nixon campaign in exchange for higher milk price supports.

Harrison declined to elaborate about his reasons for withdrawing his candidacy for the circuit court judgeship, although he denied it was because of publicity surrounding the dairy contributions issue. He said conservative judicial candidates commonly face vocal opposition from congressional liberals.

Dorgan and Conrad claimed that investigators from the private detective firm of W.T. Butcher & Associates Ltd., have been researching the backgrounds of the two men. Dorgan, a three-term Congressman, is seeking re-election against Republican candidate Byver Vinje. Conrad, the state tax commissioner, is seeking election to the U.S. Senate against Mark Andrews.

Vinje, Andrews and state Republican Party Chairman Layton Preborg all denied involvement in the investigation.

An investigator from the Butcher firm obtained copies of part of the file on Dorgan's divorce and another investigator requested a tape of a Conrad press conference from the Bismarck radio station, which denied the request.

Harrison said he thought it was in April when he hired Butcher. Asked why Rand wanted Harrison to hire the investigator instead of doing his own hiring, Harrison said, "They didn't say and I didn't ask. This a firm, which needless to say, has had a client relationship for a long time. (It is) not just somebody who called up out of the blue."

Tuesday, August 5, 1986 ☐ Vol. 113, No. 217 ☐ Bismarck/Mandan, N.D.

Plot thickens in Dorgan who-dun-it

GOP lawyer who hired investigators resigns; others won't comment

By GERRY GILMOUR
Tribune Staff Writer

The unraveling mystery of who's been investigating Rep. Byron Dorgan's background has led to a Washington D.C. attorney who resigned yesterday under pressure from his law partners.

Attorney Marion Harrison, one of at least four lawyers believed to be involved, has admitted hiring W.T. Butcher and Associates, a Bismarck detective agency, to investigate the Democratic congressman.

Harrison has been a prominent figure in Republican Party fund raising and was involved in a non-criminal way in the milk fund scandal of 1971, part of the whole Watergate controversy that ended in the resignation of President Richard Nixon.

A Tribune investigation has turned up two other attorneys directly involved in gathering information about Dorgan's wife, and a third who sources say hired them. But nobody has been able to establish who financed the investigation, which Dorgan believes cost more than $100,000.

A spokesman for Harrison's law firm, Alexander J. Pires Jr., said Harrison admitted hiring the detectives but refused to reveal who retained him to do so.

Harrison was forced to resign Monday because his law partners don't "want to be involved in the hiring of a private investigator to investigate the private affairs of a congressman," Pires told The Associated Press. "The members of the law firm feel strongly that this kind of tactic is wrong and has no place in the political system."

Private investigators from Butcher's agency have been gathering information on Dorgan and on Democratic U.S. Senate candidate Kent Conrad. But Harrison told The Fargo Forum Monday he had nothing to do with an investigation of Conrad.

In June, a package of material was mailed to The Tribune anonymously. Documents in the package showed that Dorgan's wife, using the name Kimberly Sue Olson, has lobbied on behalf of Canadian timber interests against a trade proposal before the House Ways and Means Committee. Rep. Dorgan is a member of that committee.

The package also contained a copy of the couple's marriage license from Snohomish County, Washington.

Using Washington state's open records law, The Tribune has found that Bellevue, Wash., attorney Peter M. Lind obtained the copy of the license on Oct. 1 from the vital records section of the Department of Social and Health Services in Olympia, Wash.

Other documents in the package were obtained from the U.S. Justice Department's foreign agent registration unit's internal security section by Washington D.C. attorney Fritz Giesecke. The Tribune was able to establish he checked out the file through a Freedom of Information request last month.

According to sources who declined to be identified, Lind and Giesecke were both working directly or indirectly for Bert Rand, who is Giesecke's law partner in Washington, D.C. The sources say both attorneys involved have links to the

(More on LAWYERS, Page 11A)

Lawyers also gathered documents, license

[redacted] Republican Party.

Neither Giesecke or Rand would return telephone calls to The Tribune this week. This morning a secretary who said she would "find out" if the attorneys were available for comment said: "I've been told not to give you any information."

Lind told The Tribune this morning he was hired by an Oregon law firm, but did not remember the firm's name and has not received a commission. "I'm an innocent party in this thing," he said.

Harrison's law firm, founded by former Sen. Hugh Scott, R-Pa., is engaged largely in lobbying and corporate law.

The milk fund scandal in which Harrison was involved grew out of allegations that Nixon or Nixon aides traded an agreement to increase the amount of federal milk subsidies in exchange for campaign contributions from the milk industry. According to Associated Press reports in 1971, Harrison wrote a dairy cooperative executive complaining about delays in getting contributions. But Harrison was never indicted for any crime.

The Reagan administration nominated Harrison for a seat on the U.S. Circuit Court of Appeals in Washington in 1986. His name was later quietly withdrawn.

In a Sunday Tribune story, Butcher said he would not work for political candidates but would work for attorneys. He said he would not talk about any specific investigation.

Butcher has said that he had talked to Harrison by telephone. He did not elaborate.

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Dorgan
Continued from Page A1

enable officials to interview people connected with the investigation in an attempt to find out who is paying for the probe, sources said. Dorgan estimated the investigation could be costing $100,000.

Harrison and Band are among the four attorneys linked to the investigation of Dorgan.

Pete Gieseche, who shares law offices in Washington with Band, obtained some documents on Dorgan's wife, Kimberly Rae Olson, from the Justice Department library in Washington.

Information on the lobbying activities of Olson was later sent in anonymous packages to several newspapers, including The Forum.

Gieseche and Band did not return numerous calls to their Washington office Tuesday.

Peter M. Lind, an attorney from Bellevue, Wash., copied part of Dorgan's marriage license from a Snohomish County, Wash., court.

Lind said Tuesday that he thinks he copied the marriage license at the request of a Portland, Ore., law firm in October. The request for a copy of Dorgan's license came less than two weeks after the release of a poll showing Dorgan would win a hypothetical Senate race against Andrews by 52 percent to 41 percent.

Lind said he was not recall who requested the information and he found no time slips or billing records of the transaction in his office.

He said he did not know why the request was made. "My recollection is that it was just sort of a convenience thing," Lind said. "Someone said 'Can you get it for us.' It's a public record, so why not? What the heck. Apparently, it stirred up a tempest with somebody."

Dorgan may file probe complaint

By Sid Spaeth
and Christie Springer
ST. WRITERS

Rep. Byron Dorgan, D-N.D., said Tuesday he is considering filing a complaint with the Federal Election Commission asserting that political funds were used to hire private detectives to investigate his background.

Democratic sources said Dorgan would file the complaint, but Dorgan would not confirm the report. "Tuesday, saying, "Kent [Conrad] and I have discussed that, but we have not made a decision."

Conrad, state tax commissioner, is a candidate for the U.S. Senate seat held by Mark Andrews, a Republican.

Democratic party sources in North Dakota, who spoke on the condition of anonymity, said Dorgan could file the complaint as early as this week.

"We're not going to let this drop," one source said. "We're not going to drop this until we know who is behind it -- whether it's before the election or after."

Dorgan and Conrad have complained that private detectives have been hired to do background checks on them.

"Obviously, we would like to see where all of this leads and who is responsible," Dorgan said. "In the process of that, we will make a decision about [filing a complaint]."

Conrad would not comment on the report.

Dorgan, a three-term congressman, is running for re-election against Republican Syver Vinje.

Andrews, Vinje and State Republican Party Chairman Layton Freborg have denied involvement in the investigation.

Freborg repeated earlier assertions that he is confident nobody in the North Dakota Republican Party was involved in hiring the private investigators. He said, however, it is possible that out-of-state Republicans might be involved without the state party's knowledge.

Freborg accused the Democrats of "making a mountain out of a molehill" and suggested Dorgan was overreacting.

"He's very nervous," Freborg said of Dorgan. "I doubt very much that anyone with a clean state ... would be very concerned."

A prominent Washington attorney was asked to resign from his law firm Monday after it was disclosed that he hired the Bismarck, N.D., investigative firm W.T. Butcher & Associates to probe Dorgan's background.

Marion Edwyn Harrison told The Forum he authorized the investigation on behalf of Washington attorney Bart Band. Harrison denied he authorized an investigation into Conrad, although one of Butcher's detectives requested the tape of a Conrad press conference from a Bismarck radio station.

Sources said an FEC complaint would name numerous Republican Party officials who might have had a role in the investigation. The sources said the use of political funds for an investigation of candidates would violate federal election laws, unless the payments were disclosed on campaign expense reports.

A complaint to the FEC would

Dorgan,
Back page, Column 1

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Andrews says he'd join Dorgan in FEC complaint

9-6-86 p.1

BISMARCK (AP) - Sen Mark Andrews said today he would support Rep. Byron Dorgan if the Democratic representative files a complaint with the Federal Election Commission over an investigation of Dorgan's background.

"Neither my (re-election) committee nor I has ever spent one penny to hire private investigators and we never will," Andrews said in a statement.

"If Mr. Dorgan files a complaint with the Federal Election Commission, I will join him in this effort. We must get to the bottom of this as soon as possible," said Andrews, a Republican who is seeking his second Senate term.

Dorgan has said he is considering filing a complaint with the FEC, saying he believed the investigators were hired with campaign funds without these expenditures appearing on finance reports.

William Butcher, who operates the W.T. Butcher & Associates private detective agency in Bismarck, said a Washington, D.C., attorney had hired him earlier this year to check into Dorgan's background.

That attorney, Marion E. Harrison, was forced to resign from his law firm Monday. Its partners, of which Harrison was one, have since reorganized and renamed the firm. A spokesman, Alexander J. Pires Jr., said the firm believed Harrison's action was wrong.

Harrison told The (Fargo) Forum he had been retained by Washington attorney Bert Rand to hire Butcher's detective agency. Rand has declined comment on the matter, but Andrews said Rand told him he did nothing more than gather documents on Dorgan that were already public record.

"I have known Bert Rand for some time. When I saw his name mentioned in connection with a story regarding alleged political snooping in North Dakota, I called him to ask what the situation was," Andrews said.

"(Rand) stated he didn't do political work. A client had requested a compilation of public document information regarding Congressman Dorgan and he had done that," Andrews said.

Rand told him he had spoken with Dorgan and told the congressman the same thing, Andrews said.

Layton Freborg, chairman of the North Dakota Republican Party, said the possibility of an FEC investigation did not disturb him.

"I am just not involved and don't know anybody who is. I just have nothing to hide," Freborg said.

Freborg said Democrats were "making a mountain out of a molehill" out of the situation.

"He's very nervous," Freborg said of Dorgan. "I doubt very much that anyone with a clean slate would be very concerned."

Air service funding set

The Senate Appropriations Subcommittee on Transportation, chaired by Sen Mark Andrews, approved legislation Tuesday that includes funding for Jamestown and Devils Lake air service.

The $25.5 billion transportation funding bill meets the requirements of the Gramm-Rudman deficit reduction act and provides money for the Essential Air Service subsidy that keeps carriers serving Jamestown, Devils Lake and Williston.

The bill also provides funding for the airport grant program, which will defray costs for scheduled airport improvements at Bismarck, Jamestown, Minot, Fargo, Grand Forks, Harvey and Carrington.

The bill provides $3 million for the University of North Dakota's airway science program in 1987.

The Access Highways to Lakes program, which has funded work at Jamestown and Pipestem reservoirs this summer, is budgeted to receive $10 million in 1987.

Amtrak will receive $881 million in 1987 if the bill is approved by the full Appropriations Committee. The Senate is expected to act on the bill in September.

Jamestown Sun
9-10-86

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Wednesday, August 6, 1986 ☐ Vol. 113, No. 218 ☐ Bismarck/Mandan, N.D.

Poison pen trail leads to Andrews pal

Senator denies any role in probe of Dorgan, Conrad

By CHRIS GILBUCK
Tribune Staff Writer

Sen. Mark Andrews today denied he had played any role in the investigation of Rep. Byron Dorgan and said he will work with the congressman to find out who is responsible.

Andrews, a Republican, issued a statement after The Tribune learned that the senator is a friend of Bert Rand, the Washington D.C., attorney who is the key figure in efforts to assemble information about Dorgan and Andrews' Democratic challenger, Kent Conrad.

Andrews' association with Rand goes back many years, one source told the Tribune. Andrews' press aide Tim Burke confirmed the two had known each other at least since Andrews served in the House from 1963 to 1981.

The Tribune also learned that John Rand, Bert's son, worked as an aide to Andrews on the Senate Budget Committee for the past three years.

John Rand quit his Senate job in January and went into private practice as an attorney.

Andrews said today he would join with Dorgan to "get to the bottom of this as soon as possible."

Meanwhile, Dorgan and Conrad said this morning they may ask the Federal Election Commission to intervene.

"I think the North Dakota people deserve to know who's involved in this kind of politics," Dorgan said.

Said Conrad: "There's a strong likelihood that we will file an FEC complaint. Someone has got to get to the bottom of this. It's extremely interesting that Andrews is a good friend of Rand's."

The use of political funds to influence an election would violate federal election laws unless the payments were disclosed on campaign expense reports.

Once a complaint is filed, FEC investigators have the authority to subpoena witnesses and documents.

Andrews said this morning that Bert Rand told him he was hired by a client to assemble the package.

The package was mailed anonymously to The Tribune in June from Seattle. It revealed Dorgan's wife has worked as a lobbyist on behalf of Canadian timber interests

(More on DORGAN, Page 8A)

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Dorgan could file complaint with FEC

JUMPED FROM PAGE 1A

against a trade proposal before Dorgan's House Ways and Means Committee.

Some material in the package was assembled last fall when it was widely speculated that Dorgan would run against Andrews for the Senate seat.

Andrews said that he called Rand Tuesday when he learned his friend had hired attorney Marion Harrison to investigate Dorgan. Harrison was ousted by his colleagues Monday from a prominent Washington, D.C. law firm when his involvement in the investigation surfaced.

"When I saw his name mentioned in connection with the story regarding alleged political snooping in North Dakota, I called him to ask what the situation was," Andrews said this morning. "He stated that he didn't do political work. A client had requested a compilation of public document information on Congressman Dorgan and he had done that."

Harrison, a GOP attorney who was involved in the 1971 Milk Fund scandal, hired Bismarck detective William Butcher to investigate Dorgan and Conrad. The Washington Post reported this morning that Harrison paid the detective firm $3,000 for the probe.

Andrews said Rand will meet next week with Dorgan to discuss who might be behind the investigation.

"Let me make it perfectly clear to the thousands of contributors we have across North Dakota that neither my committee nor I have even spent one penny to hire private investigators to investigate our opponents. I hope all other candidates can say the same thing," Andrews said. "If Mr. Dorgan files a complaint with the Federal Election Committee I will join him in the effort. We must get to the bottom of this as soon as possible."

Tim Burke, Andrews' press secretary, said the Senator "is not going to get involved in speculation" as to who is behind the Dorgan Papers.

Some sources say a corporation or industry may have been behind the effort to damage Dorgan, and point to timber interests.

Rand was in Portland, Ore., today and was unavailable for comment. The secretary for Rand and his law partner, Fritz Giesecke, said she couldn't comment on the relationship between Rand and Andrews. "I don't know what's going on but I've been told not to give you any information," she said.

The Tribune learned through a Freedom of Information request that Giesecke gathered documents on the lobbying activity of Dorgan's wife from the U.S. Justice Department in February.

Meanwhile, Bellevue, Wash., attorney Peter Lind acknowledged Tuesday that he is also a friend of Rand. Lind in October obtained a copy of Dorgan's marriage license from the vital records section of the state of Washington's Department of Social and Health Services. But he denies he was working for Rand and says he was working for a law firm in Portland. He says he can't remember the name of that firm and has not been paid for his efforts.

The Tribune used Washington state's open records law to establish his involvement.

Harrison told The Washington Post Tuesday that he and Rand were also friends.

8-7-84

Andrews denies Dorgan investigation involvement

By Sid Spaeth
and Patrick Springer
STAFF WRITERS

Sen. Mark Andrews, R-N.D., admitted Wednesday that a longtime friend was involved in hiring private detectives to investigate the background of Rep. Byron Dorgan, D-N.D.

Andrews, however, denied any involvement with the investigation.

"I am categorically saying I have nothing to do with this so-called political investigation that was done of Congressman Dorgan," he said.

Andrew's admission — in a statement issued Wednesday morning and repeated later at a hastily called press conference — came amid press inquiries exploring links between the senator and Bert Rand, a Washington lawyer who ordered the investigation.

It also sparked heated partisan debate. Democrats called for an investigation to determine if Andrews played a part in the probe, while Republicans accused Democrats of exaggerating the issue for political gain.

Andrews said he would be willing to join Dorgan in calling for a Federal Election Commission inquiry to see if political campaign funds were used to hire detectives.

But Kent Conrad, state tax commissioner and Andrews' Democratic challenger, assailed Andrews' offer, saying, "I think the events of today raise serious questions about Mark Andrews' involvement in this whole matter."

Conrad has said he also was investigated by private detectives, but the agency — W.T. Butcher & Associates of Bismarck — has denied investigating Conrad.

Conrad said the disclosure of Andrews' friendship with Rand increases the likelihood he and Dorgan will file an FEC complaint.

Andrews, who described Rand as "one of my better friends," distanced himself from Rand and the investigation.

Andrews said he telephoned Rand after reading a news account of Rand's involvement.

"What gives?" Andrews said he asked his friend. "How come you are monkeying around in a political deal?"

Andrews said Rand assured him the investigation was not political, but his friend's involvement disturbed him.

"I am not happy about my friend having done it, but I am not outraged ...," he said. "It's done all the time. How it is used determines whether it is right or wrong. If it's used for politics, quite obviously, it is wrong."

Andrews said he was told Rand was working for another client, and said he did not ask Rand who the client was. "It was an extremely short conversation," he said.

The freshman senator also said investigators "probably overreacted" to a request by Rand for information on a member of the House Ways and Means Committee. Dorgan is a member of that committee.

Andrews said investigators apparently never went beyond

□Dorgan
Back page, Column 2

□Dorgan

Continued from Page A1

public documents. "If they were wiretapping, if they were [illegible] or something like that, then Bert Rand would no longer be my friend."

Andrews said his association with Rand dates back to the late 1960s, when Andrews and other cattle producers were looking for a packing plant operator to replace Armour, which was pulling out of West Fargo.

The group helped bring in a Sioux City, Iowa, packing company, represented by Rand.

Rand and Andrews grew to be close friends and see one another several times a year, Andrews said. The two attended a music festival together last summer in Salzburg, Austria, he said.

Rand has been unavailable for comment since his name surfaced in connection with the controversy earlier this week. His secretary said he was traveling and was expected back in his office today or Friday.

Another Washington lawyer, Marion Harrison, confirmed Monday that Rand had asked him to hire a private investigative firm to probe Dorgan's past. Harrison later was asked to resign because of his role in ordering the investigation of a political candidate, law partners said.

Rand's son, John, worked as an analyst assigned to Andrews on the Senate Budget Committee from September 1983 until January. He is now a lawyer practicing in Arlington, Va.

While he said his father was not involved in politics, Rand declined comment on the Dorgan investigation and his father's relationship with Andrews.

Andrews leaped back at Democrats who said he might be involved, asserting Dorgan was playing up the issue to damage him politically.

He noted that Dorgan has said he will vie for the Democratic gubernatorial nomination in 1986.

"I doubt that people can tie this one to me any more than they can to it to Quentin Burdick or others," Andrews said.

Burdick said Andrews' statement was "pathetic, unbelievable and insulting."

Byron Dorgan, the Republican candidate for Dorgan's seat, also said Democrats were overreacting to the issue for political gain.

Dorgan was criticized by the Republican Party chairman, saying that part of the same staff [illegible] were talking about him. There [illegible] kind of comments [illegible] this [illegible]

Democrats claim the investigation would be illegal if the investigators used state funds to do the investigation.

Andrews said he is a member of a committee [illegible] another committee [illegible] one party to hire investigators [illegible] or not.

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Andrews friend hired agency to probe Dorgan

Grand Forks Herald 8-7-82

By James McGregor
and Reed Karaim
Herald Washington Bureau

WASHINGTON — Sen. Mark Andrews, R-N.D., admitted Wednesday that a longtime friend, Washington attorney Bert Rand, hired a private detective agency to investigate Rep. Byron Dorgan, D-N.D.

But Andrews said that he had *no* knowledge of the arrangement and he wants to join Dorgan in filing a request that the Federal Election Commission investigate the matter.

"I'm categorically saying that I had nothing to do with this so-called political investigation that was done of Congressman Dorgan," Andrews said.

Andrews said Rand told him that the private detectives were hired to investigate Dorgan in response to a "business request" from a client.

In a late afternoon press conference, Andrews said that he had talked to Rand on the telephone Tuesday morning after he read in North Dakota newspapers that Rand was behind the investigation.

"I said, 'What are you doing and why?' I said, 'How come you are monkeying around in politics in my home state?' And in effect I said, 'You know, what gives?'" Andrews said. "He said, 'This is a business deal. I don't monkey around in politics.'"

Andrews said he didn't ask Rand who the client was because, "Candidly, he probably wouldn't have told me."

Andrews said that Rand has been "one of my better friends" since the late 1950s. He said they get together every few months and that Rand and his wife met Andrews and his wife, Mary, in Salzburg, Austria, last summer. Andrews said they spent several days together at a music festival.

Andrews also acknowledged Wednesday that Rand's son, John Rand, worked on Andrews' staff from the summer of 1983 until January this year. John Rand worked on Andrews' personal staff for several months before becoming Andrews' aide on the Budget Committee.

John Rand, contacted Wednesday at his Alexandria, Va., law office, said there was no connection between his hiring and his father's friendship with Andrews. "I don't think my father had anything to do with my getting my job," he said.



Andrews Dorgan

Several former Andrews aides said that Rand was hired because of his father's connections, but that he proved to be one of the most hard-working and competent members of Andrews' staff.

John Rand also denied knowing anything about the Dorgan investigation, and he refused to talk about his father's relationship with Andrews. A secretary at Bert Rand's Washington law office said Wednesday he was traveling and could not be reached for comment.

Dorgan mulls complaint

Meanwhile, Dorgan said Wednesday he still has not decided whether to file a complaint with the FEC to determine if misreported campaign funds financed the investigation.

"I am not in a position to accuse Sen. Andrews of anything at this point," Dorgan said. "I don't expect my best friends to hire detectives. But it is hard to conjecture."

Dorgan said that he contacted Rand earlier this week and asked who hired him. Dorgan said that Rand promised to give him that information next week, "But that gives folks a lot of time to arrange things."

Dorgan and Andrews, North Dakota's two most popular political figures, have been bitter enemies for many years. They often argue about the Garrison Diversion project and other North Dakota issues that reach Congress.

Andrews claims a smear

Andrews suggested Wednesday that Dorgan and State Tax Commissioner Kent Conrad, a Dorgan protege who is challenging Andrews for the Senate, could be using the investigation to smear Andrews.

"I wouldn't put it past them," Andrews said.

■ Probe: See back page

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"Andrews' friend"

P. 2 GF Herald 3-7-86

Probe

Continued from Page 1A

This came several minutes after Andrews suggested that perhaps friends of Sen. Quentin Burdick, D-N.D., whom Dorgan is expected to challenge in 1988, were behind the investigation.

"He's running for the Senate seat in '88," Andrews said of Dorgan. "By that kind of justification, maybe some friends of Quentin Burdick are ginning (this) up."

Burdick denies role

Burdick, when told of Andrews' assertion, said: "This is completely wild, this is pathetic. Somebody is smoking opium on this one. Maybe he wants to share the grief in some damn way. Why he is bringing me into this I don't know. What the hell is he talking about?"

The history of the investigation of Dorgan is a long and convoluted saga that has been unraveling slowly in various news accounts during the past month.

It apparently began in 1985, when Dorgan seemed a likely candidate to run against Andrews after a spring poll showed Dorgan beating Andrews by 2-1 in a hypothetical race.

Beginnings of probe

The first recorded event in the probe took place on Oct. 11, when Peter Lind, a Bellevue, Wash., attorney obtained a copy of Dorgan's marriage license from the Department of Social and Health Services in Olympia, Wash. Dorgan, who rarely talks about his private life, married his third wife, Kimberly Sue Olson, 27, a Washington state native, in April 1985.

Lind claims to be unable to remember whom he obtained the license for but says he believes it was as "Oregon law firm."

Earlier this summer, the marriage license, and papers showing that Olson is a lobbyist for Canadian timber interests, became part of a packet mailed anonymously to several newspapers. One of the clippings in the packet was later traced to the North Dakota State Republican Party.

This packet led to stories that Dorgan had failed to report on his House financial disclosure statement that his wife was working as a lobbyist.

According to Justice Department records, the documents that detailed Dorgan's wife's connection to the timber industry were obtained last month by Fritz Glasnecke, a Washington, D.C., attorney. Glasnecke, who could not be reached for comment, is a partner in Rand's law firm.

Investigations into Dorgan's background also were conducted in North Dakota. A Bismarck detective agency, W.T. Butcher and Associates, had been hired to investigate Dorgan's personal life.

Washington, D.C., attorney Marion Edwyn Harrison, a prominent Republican activist and bit player in the Nixon administration milk fund scandal, has admitted to hiring this agency, headed by William T. Butcher, a former FBI agent.

After the disclosure that he had hired a private investigator to investigate Dorgan, Harrison was forced to resign from the law firm he helped found two years ago. A spokesman for the firm said that the other partners were "mortified" and "apologetic" that a member of their firm initiated an investigation into "the private affairs of a congressman."

Harrison admitted paying $3,000 to Butcher's detective agency. But he said that he had acted on behalf of Rand. Harrison couldn't be reached for comment Wednesday.

Earlier this year, Harrison's name was withdrawn as a candidate for a federal judicial post after investigators began looking into his past involvement in the milk fund scandal.

In 1972, Harrison solicited campaign contributions for Nixon, from milk producers' associations that were granted higher government price supports that year. He was never indicted.

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Burdick jumps into fray; says he is not involved

wife was a lobbyist for foreign timber interests. Dorgan is on the committee, and his wife, Kimberly Olson, lobbies on behalf of the Canadian timber industry.

"I'm categorically saying I had nothing to do with this so-called political investigation that was done on Congressman Dorgan," Andrews said. "I think if it's being done for political purposes we all ought to find out why, because we don't want this done. It's not legal and it's not right. But if it's strictly a business deal then it's totally different."

Further, Andrews said he lacked any motive to investigate Dorgan.

"What good would it do for me to get Byron Dorgan out of the race by having some guy in Washington state find out he was married?" Andrews asked. "I knew he was married. I've met Kim and she's a delightful, charming person. All that has been turned up is something I already know and everybody in North Dakota knows."

He also said investigations go on all the time in Washington, D.C., adding that Dorgan may have played a few tricks himself. "I get a little ticked off when he sends letters around Washington pointing out the fact that I sued doctors and that's ruined my career."

Andrews said he called Rand immediately when he read of the attorney's involvement in the hiring of other lawyers and a Bismarck private eye firm to gather information on Dorgan and Conrad. "I asked him 'What gives...how come you're monkeying around in politics in my home state?'" Andrews said.

He said Rand would not reveal who hired him to investigate Dorgan.

"As long as they were looking for public documents, they are available to all of us... If they were wiretapping, if they were shadowing or something like that then let me tell you Bert Rand would no longer be a friend of mine. He'd be subject to the penalties of the law... But I haven't seen that yet."

Andrews said he has asked Rand to speak to the press on the matter, but Rand's secretary has told The Tribune "I'm not supposed to give you any information."

Asked if he believed Dorgan and Conrad were playing up the affair to try to damage his political fortunes, Andrews replied, "Well, it certainly seems that way."

Andrews and Rand have been friends since they met in West Fargo in the late 1960s when Rand was a young attorney working to bring a packing plant to North Dakota after the Armour packing plant closed.

Last summer, they met in Salzburg, Austria, where they attended a music festival with their wives.

Andrews said that he had met Harrison, who was asked to resign from a prominent D.C. law firm Monday when his partners learned he had hired Butcher's agency in Bismarck to investigate Dorgan and Conrad, but that he had not met Peter Lind or Fritz Glesecke.

Lind and Glesecke — both friends of Rand — were involved in gathering public documents on Dorgan and his wife.

Andrews said Conrad and Dorgan may be using the whole episode as a way to smear his campaign. "(Dorgan's) not running against me. He's running for a Senate seat in 1998. By that justification maybe some friends of Quentin Burdick are getting him. I don't know. I don't have the answer to that."

That comment brought Sen. Burdick into the fray: "I deeply resent any attempt to link me with the alleged investigations of Congressman Dorgan and Tax Commissioner Conrad," Burdick said today in a statement to the Tribune. "That's pathetic, feeble and insulting. I deplore these enemy political tactics and any suggestion that I might be connected to them is offensive."

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MARK ANDREWS

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Conrad to file election complaint

By GERRY GILMOUR
Tribune Staff Writer

Senate candidate Kent Conrad said today he has hired an attorney and is in the process of filing a complaint with the Federal Election Commission, alleging he and Rep. Byron Dorgan were the subjects of an illegal investigation.

A Washington lawyer, Reston Morrison, has identified hiring Bismarck detective agency W.T. Belcher and Associates to gather information about Dorgan. Belcher has declined making any information about Conrad, but Prairie Public Radio newsman Dave Thompson said an employee of Belcher tried in late May to obtain a tape recording of a Conrad press conference.

Any probe of Dorgan or Conrad would be illegal under FEC rules if it was done to influence an election and not reported as a campaign expense.

Once a complaint has been filed, FEC investigators have the authority to subpoena witnesses and documents.

Washington attorney Bert Rand, a good friend of Republican Sen. Mark Andrews and a key figure in the Dorgan investigation, said Wednesday he is not involved and will cooperate with any FEC inquiry.

Conrad said this morning he is not convinced that Andrews is not involved. "He'll be required to cooperate," Conrad said. "He'll have to respond (to an FEC complaint) within 15 days."

At a hastily called Washington, D.C., press conference Wednesday, Andrews said there is nothing wrong with a business investigating Dorgan, a Democrat, as long as the investigation wasn't politically motivated.

Andrews said Rand told him he had been retained by an unnamed client to check a House Ways and Means Committee member whose

(More on BURDICK, Page 7A)

Pg 1 of 2

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T E BISMARCK TRIB NE
Established in 1873
William N. Roesgen ..... Publisher
David M. Fuselier ..... Editor
Larry Johnson ..... Editorial Page Editor

Views of Tribune Editorial Board

Bis T 8-1-84

On making a mountain out of 'Minigate'

Following the increasingly bizarre trail of North Dakota's "dirty tricks" scandal, it is easy to lose sight of some basic facts.

Nothing in the information published about the lobbying efforts of the wife of Rep. Byron Dorgan was incorrect.

Nor is there anything unethical in the gathering of facts about a political figure's private life which might conceivably influence his conduct in office. (It is no tribute to North Dakota's newspapers, including this one, that none of them had been aware of the extent of Mrs. Dorgan's lobbying until the GOP gumshoes dug it up.)

Going a step further, it is not illegal for the wife of a member of Congress to work for other political or commercial interests, including foreign interests.

But in our view, some things are wrong, whether they are illegal or not.

It is wrong to distribute information collected by whatever means through anonymous packages and poison pen letters.

It is wrong to condone this kind of campaigning or to deny any knowledge of it if, indeed, you have a pretty good idea what's going on.

Finally, it is wrong, in our view, for the spouse of any high federal official to continue to pursue a career in which her husband's office and reputation could be used to secure influence in the nation's capital.

No one, it seems, is going to emerge from the Dorgan affair with perfectly clean hands. It is possible that legal actions will be taken in response to violations of federal election laws — the unreported expenditure of funds to influence an election.

But most voters, we suspect, will cast their ballots this fall on the basis of well-defined views of the candidates, their parties and positions, "Minigate" relegated to the status of a midsummer diversion.

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Candidates demand Rand reveal client

7 8-9-86

By Bid Spooth
and Patrick Springer
STAFF WRITERS

Two Democratic political candidates demanded Friday that a friend of Sen. Mark Andrews, R-N.D., reveal who engineered an investigation of the candidates. They said they will call for a federal inquiry if the identity is not revealed.

Robert L. Deitz, a Washington attorney who represents Rep. Byron Dorgan, D-N.D., and state Tax Commissioner Kent Conrad, wrote a letter to Bert Rand, demanding that he answer "fully and truthfully" six questions about the investigation by Tuesday.

Dorgan, a candidate for re-election, and Conrad, a candidate for Andrews' Senate seat, said in a prepared statement that they are having a Federal Election Commission complaint drawn up, but would delay its filing if Rand responds to the six questions.

A copy of the letter has been sent to Andrews, who has said he will join Dorgan in seeking a resolution to the imbroglio.

Andrews was on the Senate floor Friday evening and could not be reached for comment. Dorgan said he and Conrad have asked Andrews to get Rand's cooperation in answering the questions.

"I think all of us would just as soon find out who's responsible and get all this behind us and move on to a more serious discussion about the really important issues of the day," Dorgan said.

The two Democrats claim an inquiry will determine whether political funds were used illegally to hire private investigators to delve

☐Letter
Back page, Column 1

☐Letter

Continued from Page A1

into their backgrounds. The use of political funds for the investigation would break federal law if the probe was politically motivated and the payment was not listed on campaign expense reports.

Rand, a longtime friend of Andrews who has been named as the person who ordered the hiring of the investigative firm, told Andrews he did it on behalf of a business client, whom he did not name. Andrews said he was told by Rand that the investigation did not involve politics and did not involve Conrad.

Rand hired Washington attorney Marion Harrison to instigate the investigation. Harrison, who in turn hired a Bismarck detective agency, also said the investigation did not involve Conrad.

Investigators for the firm of William T. Butcher & Associates copied portions of Dorgan's divorce records. They also requested a tape of a Conrad press conference from a Bismarck radio station, but Butcher said Conrad was not being investigated.

Fritz Glebecke, who shares offices with Rand, copied information on Dorgan's wife, Kimberly Sue Olson, from a justice department library in Washington. Peter Lind, a Bellevue, Wash., attorney, copied Dorgan's marriage license in Snohomish County, Wash.

Information gathered in the investigation, which centered on Olson's role as a lobbyist for Canadian timber interests, was mailed later in anonymous packages to several news organizations, including The Forum.

Rand, who had promised earlier to meet with Dorgan but cancelled the meeting, has not responded to press inquiries all week.

Rand had told Dorgan he would meet with him late next week, but Deitz said in the letter, "There is no guarantee that waiting until late next week will result in full and complete answers to our questions."

Deitz is an attorney for the Democratic Congressional Campaign Committee and the Democratic Senate Campaign Committee.

In his letter, Deitz demanded to know who authorized and paid for the investigation; what was the purpose of the inquiry and how much it cost; what role Glewecki and Lind played; and who assembled and mailed the anonymous packages.

Demos challenge lawyer to tell all

By GERRY GILMOUR
Tribune Staff Writer

North Dakota's congressional candidates Friday challenged Washington, D.C., attorney Bert Rand to reveal who paid for an investigation into their backgrounds.

If they don't get an answer by Tuesday, Rep. Byron Dorgan and state Tax Commissioner Kent Conrad said in a prepared statement they'll find another way to get at the responsible party.

The two are prepared to ask for a federal inquiry into the matter.

Rand, a good friend of incumbent Republican Sen. Mark Andrews, has admitted he was behind the hiring of private detectives in Bismarck to investigate Dorgan and Conrad. He also has been linked to two attorneys who obtained materials on Dorgan contained in a package mailed anonymously from Seattle in June to The Tribune.

Marion Harrison, the Washington, D.C., attorney who hired the Bismarck private eyes, was ousted from a prominent law firm Monday when his involvement became known.

A letter in the package called into question the lobbying activities of Dorgan's wife, Kimberly Sue Olson, who opposed a trade proposal before the House Ways and Means Committe on behalf of Canadian timber interests. Dorgan, a member of that committee, voted for the proposal.

A Tribune investigation determined that Peter Lind, a Bellevue, Wash., attorney, obtained a copy of Dorgan's marriage license from the Washington Department of Social and Health Services Oct. 11 in Olympia, and that Rand's law partner, Fritz Glesecke, obtained materials on the lobbying activities of Dorgan's wife in February from the U.S. Justice Department library in Washington, D.C.

Andrews, who has also asked Rand to disclose who was behind the operation, has offered to join Dorgan and Conrad in calling for a federal inquiry.

Rand, however, hasn't been heard from since Tuesday, and Conrad said Andrews would be named as a respondent in the inquiry.

Conrad and Dorgan Friday morning had Washington attorney Robert Deitz draft a complaint that would be ready for filing with the Federal Election Commission.

Dietz also sent a letter to Rand asking him to respond to the following questions before the Tuesday deadline:

- Who authorized you to retain, directly or indirectly, the firm of Butcher and Associates of Bis-

(More on COMPLAINT, Page 5A)

Complaint set for commission

CONTINUED FROM PAGE 1A

marck to conduct this investigation?

- If the individuals or organization that authorized you to order this investigation are not the ultimately responsible parties, who did you understand or know to be the ultimately responsible party?
- What was the purpose of this investigation as it was either presented to you or as you understood its purpose?
- Who reimbursed you (and Mr. Marion Harrison) for your costs, and paid for your time, in arranging for this investigation and what is the total amount to date which was reimbursed or paid?
- What was the role of attorneys Peter Lind and Fritz Glesecke in obtaining and/or using information obtained in this investigation?
- Who assembled materials concerning Mr. and Mrs. Dorgan for anonymous transmittal to national and North Dakota news organizations and who deposited these materials in the mails to these organizations?

Dorgan and Conrad closed their statement: "If Mr. Rand does not respond fully, completely and truthfully, then we intend to proceed with certain causes of action that will result in the disclosure of who was responsible."

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Attorney tells role in probe of Dorgan

(1.1)

Grand Forks Herald
8-9-86

By James McGregor
and Reed Karaim
Herald Washington Bureau

WASHINGTON — The attorney who hired private detectives to investigate Rep. Byron Dorgan, D-N.D., said Friday that his mission was to pass along documents and insulate a close friend of Sen. Mark Andrews, R-N.D., from the investigation.

Washington attorney Marion Edwyn Harrison — who was forced to resign from his law firm this week because of his role in the Dorgan investigation — said that he was a conduit for information passing between North Dakota private detectives and the law office of Bert Rand, a close Andrews friend who initiated the investigation.

Harrison made his comments in an interview with the National Law Journal, a weekly magazine for lawyers. The Grand Forks Herald obtained a tape recording of the interview.

In the interview, Harrison said that he believed that he was retained by Rand to hire and communicate with the detectives because Rand and his law partner, Fritz Glesecke, didn't want to be "linked to them directly."

"Maybe he wanted the chain as far away from him as possible," Harrison said, referring to Glesecke, who delivered all the documents that Harrison sent to detectives in North Dakota.

Harrison said he first became involved when Rand, also a Washington attorney, asked him to find a North Dakota private detective agency to conduct an investigation of Dorgan.

Harrison, a member of the American Bar Association Board of Governors, said that he called a couple of North Dakota attorneys who referred him to the Bismarck firm of W.T. Butcher and Associates.

From then on, Harrison said, his role was to pass information back and forth between Rand and his associates and the detectives. He said that he also paid the detective agency $2,200 and later was repaid by Rand.

"My level of skills and expertise on this was pretty elementary," said Harrison, who said that he also was a friend of Andrews but had never discussed the Dorgan investigation with the senator.

Harrison has refused to talk to newspaper reporters since he was forced to resign Monday from his law firm, Scott, Harrison & McLeod, after his partners learned that he was involved in an investigation into a congressman's private life.

On Friday morning, however, Harrison agreed to an interview with Eric Effron, a reporter for the National Law Journal. The Grand Forks Herald supplied questions for the interview and obtained a tape. The Journal will publish an article based on the interview in its Monday edition.

The Dorgan investigation began last year when a poll showing Dorgan beating Andrews 2-1 in a hypothetical race caused speculation that Dorgan was going to challenge Andrews. Rand, several other attorneys, and private detectives began compiling documents about Dorgan and his third wife, Kimberly Sue Olson, 27.

A packet was then sent to several newspapers. It contained information about Olson's activities as a lobbyist for Canadian timber interests, a copy of their marriage license and newspaper clippings — one of which was traced to the North Dakota Republican Party Headquarters.

This led to the discovery that Dorgan had failed to list his wife's lobbying job on his House financial disclosure forms.

Harrison said Friday that the packets were mailed by Rand's law partner, Glesecke. A secretary at their law firm said that neither Rand nor Glesecke could talk to reporters, and she wasn't authorized to say where they were.

In a press conference Wednesday, Andrews admitted that Rand and he have been close friends since the late 1950s and that they and their wives spent several days together in Europe last summer.

But Andrews said that he had no knowledge of the investigation, which, in later stages, included at least one inquiry about State Tax Commissioner Kent Conrad, who is the Democratic candidate challenging Andrews this November.

Since that press conference, Andrews has refused interviews with reporters. In a telephone call to several reporters in North Dakota Friday, however, Andrews said that he resented accusations that he is lying to North Dakota voters.

"I've never done that in my life, and I am not intending to start now," Andrews said.

Meanwhile Friday, Dorgan and Conrad sent a list of questions concerning the investigation to Rand's law firm. If the questions are not answered by Tuesday, they said, they will ask the Federal Election Commission to investigate the matter.

The questions centered on the purpose of the investigation and who paid Rand to conduct it.

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8 of 2

Dorgan investigation raises many questions

By James McGregor and Reed Karaim
Herald Washington Bureau

WASHINGTON — It was one of the few times in Sen. Mark Andrews' political career during which his down-home charm and jaunty, self-confidence gave way to visible distress and a confused groping for explanations [illegible]

Analysis

In a hastily called press conference in his office Wednesday, Andrews, R-N.D., quickly tried to dismiss suspicion that he knew about or participated in an investigation and smear campaign against Rep. Byron Dorgan, D-N.D.

During the 20-minute session, Andrews did his best to point fingers in other directions and plead that he has no reason to discredit Dorgan.

But he failed to answer the central question of the day: How could one of Andrews' closest personal friends launch an investigation and smear campaign into the private life of Andrews' principal political enemy without Andrews' knowledge or participation?

That morning, reporters had learned that Bert Rand, a Washington attorney who has been a close friend of Andrews since the 1950s, had organized an investigation into Dorgan's personal life.



Marion Edwyn Harrison, a Washington, D.C., attorney, hired W.T. Butcher's detective agency to investigate Dorgan, but claims he acted at the request of attorney Bert Rand, a friend of Sen. Mark Andrews.

Andrews indicated that he was satisfied with Rand's explanation to him that it was purely a business deal for a client. Andrews said that he didn't even ask Rand who the client was.

"When I heard about the investigation and that Bert Rand was on board, I thought, my gosh, you know, this is [illegible] the luck of the Irish," Andrews said.

Then Andrews said that he had no motive to investigate Dorgan because Andrews' opponent this fall is [illegible] Tax Commissioner Kent Conrad. Finally, when the questions persisted, Andrews [illegible] pointing [illegible] Andrews suggested [illegible] and Conrad had conspired [illegible] as part of a devolved [illegible] frame Andrews. Then he speculated that perhaps Sen. Quentin Burdick, D-N.D., was responsible because, after all, Dorgan now is expected to challenge Burdick in 1988.

When the news conference ended, Andrews went back into his inner office, where a half-dozen aides were huddled behind a slightly opened door, listening nervously to the meeting. Since then, Andrews has been unavailable to reporters, except for a hand-picked group of radio reporters Friday.

As the week ended, questions about this political whodunit persisted:

- If the investigation was purely a business deal, why did Bert Rand hire a middleman, Washington attorney Marion Edwyn Harrison, to insulate himself from any direct connection with North Dakota private detectives, as Harrison has contended?
- Why would Rand, who has dinner with Andrews regularly and spent several days with the senator in Europe last year, not tell his close friend about an investigation that obviously could cause Andrews major political problems if it became public?
- If Andrews is connected to the investigation, why did it continue after Dorgan took himself out of the race for Andrews' Senate seat?
- Why would a business interest want to discredit Dorgan, a junior congressman with little clout?
- If the investigation was conducted for U.S. timber interests who were angered about Dorgan's wife lobbying for Canadians, as even Andrews has hinted, why did private detectives research Dorgan's divorce and interview people about his personal life?
- If this was a business investigation of Dorgan, why did one of the private detectives try to obtain [illegible] tapes of a Conrad press conference less than two months after Conrad received the Democratic endorsement to run against Andrews?
- Finally, why would a business interest mail to newspapers anonymous packages of information designed to damage Dorgan's political standing in North Dakota?

Some of these questions may be answered this week. Rand and the other principals disappeared only after their participation in the Dorgan probe became public. But Andrews, who is the only person known to have contacted Rand recently, said he hopes that Rand will meet with reporters this week.

The investigation has come to light in dribbles and drabs, during the past month. Thus far, it has become clear that Rand last year launched a probe into Dorgan's private life and Dorgan's wife's activities as a lobbyist.

Grand Forks Herald
8-10-86
p. 1

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8 2 of 2

Dorgan Dossier

Rand used other attorneys to do the actual investigating. His law partner, Fritz Glassecke, o[illegible]ned Justice Department records that showed Dorgan's wife, Kimberly Sue Olson, 27, works as a lobbyist for Canadian timber companies and other businesses.

An attorney friend of Rand, Peter Lind of Bellevue, Wash., obtained a copy of the license from Dorgan's April 18, 1986, marriage to Olson, his third wife. Lind says he cannot remember for whom he obtained the license.

Rand also hired Harrison to act as a middleman between himself and W.T. Butcher and Associates, a Bismarck-based private detective firm that researched Dorgan's divorce records and interviewed people in North Dakota about Dorgan's personal life.

Information from all these sources was compiled into a packet that was sent to newspapers in North Dakota and Washington, D.C., with a cover letter insinuating that the material contained evidence of a political scandal.

The packet included a newspaper clipping that carried markings indicating it had come from files at the North Dakota Republican Party Headquarters. But GOP officials said these clips are widely available to party members and the state party had no involvement in the investigation.

The cover letter in the packet contended that Dorgan was hiding Olson's lobbying activities and that her job constituted a conflict of interest because Dorgan sits on the House Ways and Means Committee, which considers trade and tax legislation. Dorgan said there was no conflict and noted that he voted in favor of limiting Canadian timber imports.

The renewed publicity about Olson's career led a reporter to discover that Dorgan had failed to include his wife's job on his 1985 financial disclosure forms.

The story of the investigation broke open last week as North Dakota reporters uncovered the private detectives' activities. The connection to Harrison and then to Rand was established quickly.

While Rand's coordination of the investigation has embarrassed Andrews, it has been less than a windfall for Dorgan. Along with the headlines connecting Rand to Andrews have come constant references to the fact that Dorgan is twice-divorced and now married to a woman 17 years his junior.

The one clear political winner appears to be Conrad, who was trailing Andrews 51-39 in a June newspaper poll. Because a private investigator tried to obtain radio tapes of a Conrad press conference, Conrad has positioned himself alongside Dorgan as an aggrieved victim of the probe.

Andrews' basic defense is that he has no motive to go after Dorgan. But Andrews and Dorgan, the state's two most popular politicians, have had an intense and bitter personal rivalry since Dorgan tried to unseat Andrews' U.S. House seat in 1974 and lost by 27,000 votes.

Dorgan aides say that Andrews [illegible] Dorgan's press clippings [illegible] the desk known to defeat his press secretary if Dorgan is receiving more publicity than Andrews.

"He's totally paranoid about Dorgan," said a former Andrews aide, who said that 18 staffers have resigned from Andrew's office since January last year.

Similarly, former aides say that Dorgan closely monitors press coverage of Andrews' activites and alternates between worrying about what Andrews is doing and finding smart ways to taunt the senator.

The Dorgan investigation began when the congressman still was considering a run against Andrews for the Senate.

In March 1985, a public poll showed Dorgan beating Andrews 2-1 in a hypothetical race. The first publicly recorded action in the investigation came in October, when Lind obtained a copy of Dorgan's marriage license. This was a week after a poll showed Dorgan still ahead of Andrews 52-41 even though Andrews had run a barrage of television advertising.

Dorgan, Conrad and former aides to Andrews are speculating that Rand eventually will meet with reporters and tell them that he can't reveal the business client that financed the investigation because of attorney-client privilege.

Last week, Dorgan and Conrad threatened to pursue a Federal Elections Commission investigation. Andrews said he would join in such an effort.

This would bury the issue until well past the November election. Once a complaint is filed, the FEC action becomes secret and part of an involved process that takes many months and ends in a "conciliation" session between the two parties.

The other route that Dorgan and Conrad have discussed publicly is filing a civil suit that would force Rand and the other participants to give sworn statements during the pre-trial discovery process.

"I don't intend to let this go, even if it is uncomfortable," Dorgan said Friday.

A civil suit could drag on for months, or longer, and almost certainly would extend into the election campaign.

Doherty may announce a bid against Andrews

8-10-86 Grand Forks Herald

Associated Press

NEW ROCKFORD, N.D. — Ed Doherty, a former aide to Sen. Mark Andrews, R-N.D., said he would announce this week if he will launch an independent candidacy against the senator's re-election bid.

Doherty said he is planning a news conference Wednesday in Bismarck to reveal his intentions.

Andrews and his Democratic opponent, state Tax Commissioner Kent Conrad, have failed to adequately recognize the job President Ronald Reagan has done in running the country, Doherty said.

A native of Killdeer, Doherty worked as Andrews' executive assistant from January 1981 to October 1983.

He was a state senator for District 13 during the 1969 and 1971 sessions of the state Legislature. The district included Eddy and Foster counties and part of Benson County.

Doherty won the Republican endorsement to run for governor in 1968, but was beaten by Robert McCarney of Bismarck in the primary.

He sought the nomination again in 1972, but did not pursue it with the effort he had exerted four years earlier. Doherty [illegible] Doherty, 64, was publisher of the weekly Killdeer Herald from 1946 to 1961, when he sold the paper, [illegible] now called the Dunn County Herald.

He bought the weekly New Rockford Transcript in 1961 and sold it in May 1985. Doherty said, he [illegible] weekly column for the newspaper.

He and his brother, Howard, [illegible] also a former state legislator, once operated the Cavalier County Republican in Langdon, Ed Doherty said.

He is a former member of the Republican Party's state central committee and once served as state campaign chairman, Doherty said.

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08/11/86 8/138 GRAND FORKS 84

C nrad wins in Dorgan probe

Grand Forks Herald 8-10-86 p. 2

Mark Andrews faces the greatest crisis of his political career, even if he isn't involved in a private investigation of Byron Dorgan.



Matters At Hand

Mike Jacobs

He's already been hurt by the affair, and it's hard to see how he can turn it to his advantage.

Andrews insists he is innocent, but the burden is on him to demonstrate it convincingly.

What for Andrews is a crisis is an opportunity for Kent Conrad.

Andrews, Dorgan and Conrad. These three are the heavy hitters in North Dakota this political season. Andrews is running for re-election to the U.S. Senate, Dorgan for re-election to the House of Representatives. Conrad is running against Andrews.

What we know so far is that someone paid for an investigation of Dorgan beginning sometime last year and continuing into the spring. We know that the man most prominently implicated is Andrews' close friend.

We also know that Dorgan and Conrad, who are both Democrats, have leaped on the investigation as an issue with the eagerness of sharks to bloody bait. We also know that much of the reporting about the affair has been shaped by what the pair, especially Conrad, has said about it.

But Conrad is involved only tangentially, and perhaps unintentionally.

The Bismarck private investigation firm that checked on Dorgan also asked a radio station for a tape of a news conference that Conrad held. That is the only connection with Conrad so far in the investigation. It can hardly be surmised from this that anyone is investigating Conrad's private life, since he presumably wanted what he said at the news conference to be broadcast as widely as possible.

Now every mention of the affair in the media includes Conrad as the object of an investigation.

Dorgan is a willing partner in this illusion. He and Conrad have put out news releases, hired lawyers and suggested legal action together. This isn't surprising, of course. The two are close political allies and Conrad served as Dorgan's deputy in the tax commissioner's office.

Now, these two clearly see the investigation of Dorgan as a windfall they can share. Conrad, of course, will be the greater beneficiary since he has the most to gain. His campaign against Andrews is a long shot; Dorgan is a shoo-in for re-election against Syver Vinje, whom almost no one has ever heard of despite his endorsement by North Dakota Republicans.

Even Andrews' attempt to cast blame in another direction may have helped Conrad.

Quentin Burdick, Andrews' colleague in the Senate, is angry that Andrews suggested he might have "ginned it up." Burdick's response was the strongest statement from him in months. It indicated that a close working relationship between the two, one that had existed for more than 20 years, might be done for.

And Burdick, who has been lukewarm about Conrad's candidacy, could become a powerful campaigner for him, especially if he starts telling tales about Washington. One U.S. senator's campaign against another could sway voters, especially if one not running, Burdick, put one who was, Andrews, on the defensive.

Burdick is running for re-election in 1988, and Dorgan has said he's interested in running then, too. Relations between fellow Democrats Dorgan and Burdick are far from cordial, and that's the source of Andrews' suggestion that Burdick might be behind this season's shenanigans.

And what shenanigans! North Dakota hasn't seen anything like this since federal investigators closed in on Gov. "Wild Bill" Langer.

Langer was accused of soliciting campaign funds from federal employees. He was tried and eventually acquitted. In 1939, his opponents mounted an effort to keep him out of the U.S. Senate, based on his activities as governor.

That investigation was a little different from this year's, and from investigations of candidates for the Cabinet or the Supreme Court. There have the fitness of people for office as their object. The investigation of Dorgan has only political gain.

It's too early, and we have too little information, to draw other conclusions about this year's affair.

Historians are still arguing about whether Langer was guilty in 1934.

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8-10-86 P.2

Editorial

Grand Forks Herald

ESTABLISHED JUNE 2[illegible]

"It will be the people's paper, run strictly in their interest, guarding jealously their rights, and maintaining [illegible] cause." George B. Winship, [illegible]

Michael Maidenberg, Publisher
Mike Jacobs, Editor
Steve [illegible], Editorial page

Andrews has some explaining to do

Our opinion

About the only conclusion to draw from the latest escapade in a surprising political year is that there is no conclusion that can be drawn.

So far, there isn't any evidence that anything illegal has been done, but there are plenty of suspicions.

The people or interest groups responsible for an investigation of Rep. Byron Dorgan remain unknown, although the identity of some of the people responsible for carrying out the investigation have become public. Their motives are not known definitely, but the signs suggest a political smear campaign.

And the circumstantial evidence points to U.S. Sen. Mark Andrews.

It was Andrews' friend, Washington lawyer Bert Rand, who arranged with Washington lawyer Marion Harrison to arrange with Bismarck private investigator W.T. Butcher to check into Dorgan's past.

This connection doesn't prove that Andrews had anything at all to do with the investigation. But it does suggest that Andrews has some explaining to do.

His explanations so far haven't been very satisfying, so the suspicion remains.

His best course now is to use his influence with his friend, and his prestige as a U.S. senator, to get Rand to tell the truth.

North Dakotans want to get to the bottom of this. When they find what's there, they'll make judgments about the people responsible for it.

To his credit, Andrews has said that he wants Rand to come forward. Andrews must hope that Rand acts soon. The longer this affair drags on, the more damaging it will become.

Mike Jacobs
for the editorial board

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The Dorgan investigation: a chronology of events

By James McGregor and Reed Karaim
Herald Washington Bureau

Here's a chronology of events in the controversial detective investigation of Rep. Byron Dorgan:

1985

• March 9: A public poll shows Rep. Byron Dorgan beating Sen. Mark Andrews, 2-1, in a hypothetical race for the Senate.

• April 15: Dorgan marries his third wife, Kimberly Sue Olson, 27, in her home state of Washington.

• Oct. 5: After Andrews runs a television advertising barrage, polls show that Dorgan still leads 52-41 in a contest between the two politicians.

• Oct. 11: Peter Lind, a Bellevue, Wash., attorney, acquires Dorgan's marriage license from the Department of Health and Human Services in Olympia, Wash. He later admits to being a friend of Bert Rand, who is one of Sen. Mark Andrews' closest friends.

• Dec. 13: Dorgan announces he won't challenge Andrews for the Senate.

1986

• Jan. 27: Tax Commissioner Kent Conrad announces he is a candidate to run against Andrews.

• February: Fritz Geiseche, a law partner with Rand, gathers information on Kimberly Olson's registration as a lobbyist for APCO, a lobbying subsidy of Arnold and Porter. Among its many clients, APCO lobbies for the Canadian timber industry.

• March: W.T. Butcher's agents interview acquaintances about Dorgan's private life and copy part of a courthouse file on Dorgan's divorce.

• April: Conrad receives the Democratic nomination to oppose Andrews.

• May: The "Dorgan file" is mailed to the Washington Times. The file contains Dorgan's marriage license, Olson's lobbyist registration, and several press clippings, including one that is later traced to the Republican Party in North Dakota. The Times doesn't write a story.

• May: Dan Houfek, a Butcher investigator, tries without success to get tape recordings of a Conrad news conference from KCND radio.

• June: The Dorgan file is mailed to the Bismarck Tribune and The Forum of Fargo-Moorhead. The Tribune publishes a front-page story on Kimberly Sue Olson's work as a lobbyist, identifying her as a "foreign agent."

• July 31: Information surfaces that the Dorgan investigation was commissioned by the Washington law firm of Scott, Harrison and McLeod.

• Aug. 1: Attorneys from Scott, Harrison and McLeod meet with Dorgan in his Washington office. The partners tell Dorgan their firm was not directly involved, but the investigation was a solo effort by one of their attorneys, Marion E. Harrison, who was hired by Bert Rand, another Washington attorney.

• Aug. 1: Dorgan telephones Rand and arranges to meet with him Monday morning.

• Aug. 4: Rand cancels his meeting with Dorgan, promising to meet with Dorgan within a couple of weeks. He then leaves town.

• Aug. 5: Information surfaces that Bert Rand is a close friend of Mark Andrews and that Rand's son, John, worked for Andrews for more than two years.

• Aug. 6: Andrews starts day by issuing a terse statement and refusing to meet with reporters. Later in the day, he calls a press conference to admit his friendship with Rand but claims no knowledge of the investigation. He suggests Dorgan, Conrad or Sen. Quentin Burdick could be behind the investigation. Burdick responds by calling Andrew's allegation "completely wild" and "pathetic."

• Aug. 7: Dorgan and Conrad meet with attorneys to determine whether to file a lawsuit and force Andrews, Rand and others implicated to testify under oath.

• Aug. 8: Harrison says that his role was limited to hiring the private detectives and passing along documents in order to insulate Rand and his associates from the investigation. Andrews tells reporters that he resents accusations that he is lying to North Dakota voters.

Here are players in the controversy

By James McGregor and Reed Karaim
Herald Washington Bureau

These are the key players in the controversy about the investigation of Rep. Byron Dorgan:

• Sen. Mark Andrews, R-N.D., a longtime figure on the North Dakota political scene, first was elected to the U.S. House in 1963. He won his first Senate race in 1980, after the retirement of Sen. Milton Young, R-N.D. He has long been one of the most popular politicians in the state.

• Rep. Byron Dorgan, D-N.D., made his reputation as North Dakota's tax commissioner. He first was elected to the House in 1980. Since then, he has been re-elected twice, with increasing majorities in each election, reaching 79 percent in 1984.

• Kent Conrad, North Dakota [illegible] and Dorgan's [illegible] ic challenger for Andrews' Senate seat. He trails Andrews by at least 10 points in the most recent polls.

• Bert Rand is a Washington, D.C., attorney who has been a close friend of Andrews since 1950. Rand's son, John, worked for Andrews for two years. Bert Rand has admitted to initiating the probe into Dorgan's background, claiming that he is responding to a "business request" from a client.

Since Bert Rand's connection to the Dorgan investigation was established, he has been traveling and unavailable for comment. Members of his law firm — Trammell, Rand, Nathan and Lincoln — have refused to talk to the press. Little has come to light about his business interests, legal practice or political connections.

• Marion Edwyn Harrison, a Washington, D.C., attorney, has a checkered [illegible] He is a member of the American Bar Association Board of Governors, but the ABA, earlier this year, declined to approve his nomination for a federal judgeship.

Harrison hired W.T. Butcher's detective agency to investigate Dorgan, but claims he acted at the request of Rand. Since his actions became public knowledge, Harrison has been forced to leave the prestigious Washington law firm he helped to found. That firm, pronouncing itself "mortified" by Harrison's actions, has moved so quickly to disassociate itself from Harrison that Harrison's name already has been removed from its door and stationery.

• Fritz Giesecke, yet another Washington, D.C., attorney, is associated with Rand's law firm. Giesecke obtained federal records showing that Dorgan's third wife, Kimberly Sue Olson, is a lobbyist for Canadian [illegible] interests. Giesecke also has been named as the person who mailed packets of information about Dorgan and his wife to newspapers. He has been unreachable since information surfaced tying him to the Dorgan investigation.

• W.T. Butcher, a former FBI agent, founded his Bismarck-based private investigation firm in 1982. The company, which Butcher claims is the largest in North Dakota, used several different agents to investigate Dorgan and Conrad, apparently during the period of several months. Butcher is married to Dena Butcher, North Dakota deputy commissioner of agriculture and a prominent Republican.

• Peter Lind, a Bellvue, Wash., attorney, says he is a friend of Bert Rand. But Lind says he did not obtain Dorgan's marriage license for Rand. Lind says that passing on the license was a "minor matter" and says he cannot remember to whom he mailed it.

Rand fails to solve riddle of 'Dorgan file'

By GERRY GILMOUR
Tribune Staff Writer

The key attorney behind the investigation of North Dakota Rep. Byron Dorgan has now hired his own attorney.

And today Dorgan and Senate candidate Kent Conrad directed their attorney — Robert Dietz of Washington, D.C. — to proceed with a federal inquiry into the activities of Bert Rand and others involved in gathering documents and hiring private eyes to check the candidates' backgrounds.

Conrad said Dietz will file a complaint next week with the Federal Election Commission. Dorgan has scheduled a press conference for Monday in Bismarck.

Rand's attorney, J. Jonathan Schraub of Washington, sent a hand-delivered letter late Thursday to Dietz that says Rand was never paid to investigate either candidate.

The letter does little to shed light on what interest Rand — a close friend of Sen. Mark Andrews — might have in Dorgan or Conrad.

All those inquiries amounted to, according to the letter, was a Feb. 25 visit by Rand's partner, Fritz Gieseche, to the Foreign Agent Registration Section of the U.S. Department of Justice. A Tribune investigation earlier revealed that Gieseche had checked out files on APCO and Associates. Dorgan's wife, Kimberly Sue Olson, worked as a lobbyist for that firm on behalf of Canadian timber interests fighting a trade proposal before House Ways and Means Committee, of which Dorgan is a member.

The letter makes no mention of the involvement of Peter Lind, a Bellevue, Wash., attorney who obtained the Dorgans' wedding license Oct. 11 from the Department of Social and Health Services in Olympia. Lind, a friend of Rand, said he can't remember what lawyer or law firm in Portland, Ore., hired him to get the license.

Those documents were contained in a package mailed in June to The Tribune from Seattle, Wash.

Schraub also said Andrews had no knowledge of Rand's activities. "Mr. Rand has informed us that his only relationship with Mr. Andrews is social and that Mr. An-

(More on LETTER, page 10A)

Letter called 'baloney;' Dorgan to file complaint

FROM PAGE 1A

drews was not involved in any way, shape or form in the inquiry into possible conflict of interest."

Rand's son, John, worked for Andrews for three years on the Senate Budget Committee.

Andrews, along with Dorgan and Conrad, also received a copy of the letter from Rand and made it available to the press.

"I knew from the beginning that I didn't have anything to do with it," Andrews said in an interview with The Associated Press.

The question of funding for "the inquiry," mentioned in the letter, is contradicted by earlier statements made by Marion Harrison, who was forced out of a prominent Washington, D.C., law firm after it was learned he hired a Bismarck detective agency to investigate Dorgan.

In the letter, Schraub wrote: "In March, Mr. Rand or his associate requested another attorney, Mr. Harrison, to cause additional inquiries to be made. Mr. Harrison apparently employed an investigator named Mr. Butcher. Neither Mr. Rand nor his associate was aware of any investigation by Butcher, until a report was sent to them by Harrison, probably in June."

The letter also said Butcher's report was "irrelevant... and scrapped... Neither Mr. Rand nor his associate, nor to his knowledge, Mr. Harrison, was ever retained or compensated in connection with these matters."

Yet Harrison has claimed from the beginning that he was hired by Rand. And in an interview last week with the National Law Journal he said he paid $2,280 to W.T. Butcher and Associates of Bismarck and was reimbursed by Rand.

Schraub also said Conrad was not a subject of Rand's investigation, although a detective working for Butcher contacted a Bismarck radio station and requested the tape recording of a Conrad news conference.

"What leaps out at you from the facts on the record here is that the letter is a fairy tale," Conrad said this morning. "I think these guys are digging themselves a deeper and deeper hole."

Dorgan, who disputed Rand's claim that no money had changed hands, said his FEC complaint would name anyone who had spent money in connection with the investigation.

"They seem to claim that this investigation and smear campaign was some sort of immaculate conception, that it developed without clients, without anybody responsible," Dorgan told The Associated Press. "Clearly, money has been expended to influence a federal campaign and it has not been reported," Dorgan said. "Federal election laws require its disclosure."

Harrison also said Gieseche mailed the package.

Gieseche and Rand have returned repeated phone calls from The Tribune, and Rand's secretary said he will be going on a month-long vacation beginning next week.

Rand has cancelled two scheduled meetings with Dorgan.

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Opinion

Spy flap unfair to Andrews

Real issues are in danger of being pushed aside

darrow tully
publisher



I love spy novels.

There's something fascinating about trying to figure out who did what to whom and what is going to happen next.

Perhaps all that reading has jaded my perspective on the present flap over who hired a Washington lawyer to investigate Rep. Byron Dorgan, D-N.D.

In any event, the on-going brouhaha over who instigated and underwrote the investigation into Dorgan's private life is seriously clouding the real issues that should be the focal point of the campaign.

It seems to me that the issue of whether it is right and proper for Dorgan's wife to be a registered foreign agent who lobbys for the Canadian timber industry has gotten submerged in the mud-slinging accusations about who started the inquiry.

The potential conflict of interest between Dorgan's responsibility to safeguard U.S. interests and his wife's paid duties as a lobbyist is a matter that needs to be discussed and hopefully put to rest.

No one could deny that the U.S. timber industry would be interested in being reassured that no possibilty of conflict exits.

The issue is further complicated by the fact that Dorgan failed to disclose his wife's activities on his 1985 disclosure form. Probably an oversight, but just one more thing to cast a shadow over the question of a conflict of interest.

It seems patently unfair that Sen. Mark Andrews, R-N.D., has been painted as the villain who instigated the dastardly deed.

In spite of repeated denials by the senator, supporters of Dorgan have by innuendo attempted to implicate Andrews in the probe.

Even in the face of an admission by attorney Bert Rand (a close friend of Andrews) that he hired the investigators without Andrews' knowledge, enough rhetoric has been used that the public isn't quite sure who did what to whom.

Rand's attorney sent Dorgan a letter stating that Andrews was not involved in any way in the inquiry and that the question of a conflict of interest with U.S. timber interests was the motivating factor for the investigation.

In the great American tradition, both Andrews and Dorgan are entitled to the benefit of any doubt. Both should be assumed innocent of any wrongdoing until the facts prove otherwise.

The unfortunate part of this whole distasteful episode is that at this time, it appears that Andrews is like the innocent bystander who gets shot while blisafully minding his own business.

The pertinent facts are on the table. There is plenty of time to conduct a thorough investigation into the question of a conflict of interest between Dorgan's responsibilities and his wife's activities.

Now that Rand has come forth and admitted that he started the investigation, it shouldn't be too difficult to discover if others were involved.

The truth will ultimately come out.

In the meantime, supporters of both candidates should shut up and let the matter alone.

Both candidates have substantive issues to discuss such as farm subsidies, import quotas and oil price supports to name a few.

Mark Twain observed: "Truth is stranger than fiction, but it is because Fiction is obliged to stick to possibilities; Truth isn't."

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p.1 of 2

Questions remain in Dorgan probe

Grand Forks Herald 8-17-86 p.1

By James McGregor and Reed Karaim
Herald Washington Bureau

WASHINGTON — In the early summer of 1985, Sen. Mark Andrews, R-N.D., received some troublesome news from a voters' survey conducted by his pollster.

One of the most extensive surveys ever conducted in North Dakota, it showed that many voters viewed Andrews' then-30-as-to-date used that wasn't very active in congressional affairs.

The most disturbing news, however, concerned Rep. Byron Dorgan, D-N.D., Andrews' longtime political nemesis who then was expected to challenge Andrews for his Senate seat this year.

A source with connections to the Andrews campaign revealed the existence of the poll last week. The source said that the survey results were a closely held secret by the Andrews staff and national GOP political strategists until the campaign got under way.

Essentially, the survey, conducted by President Reagan's pollster Richard Wirthlin, showed that Dorgan could handily beat Andrews even if Andrews used extensive television advertising to rebuild his image.

The survey showed Dorgan to be extremely popular among all types of voters, even a healthy percentage of Republicans, who perceived Dorgan as being honest, bright and hard working.

The poll showed him to be virtually unbeatable," said the source. The great worry was how in the world do you lay a hand on this guy." The feeling was if you did all positive stuff on Andrews, it wasn't good enough. You have to get some negatives on Dorgan.

The poll showed that Dorgan h[illegible] some weaknesses. His two divorces and subsequent third marriage, which occurred that April, didn't sit well with some in North Dakota's family-oriented voters.

(Questions) See back page.

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p. 2 of 2

Questions

Continued from Page 1A

About a year after this poll was conducted, several newspapers in North Dakota and Washington, D.C., received an anonymous packet of information. The package included a cover letter that implied that Dorgan and his wife ("his third, following two divorces") were hiding a political scandal.

The letter pointed out that Dorgan's wife, Kimberly Sue Olson, 27, had registered as a lobbyist for the Canadian timber industry under her maiden name. This was followed by references to "Dorgan's secrecy regarding his marriage to Olson" and his membership on the Ways and Means Committee, which handles trade issues.

In the past two weeks, the investigation that brought about the anonymous mailing has been traced to one of Andrews' closest friends, Washington attorney Bert Rand — who spent time in Europe with Andrews shortly after the senator examined the results of the disheartening private poll.

Thus far it has been learned that:

- An associate in Rand's law firm obtained copies of Olson's lobbyist registration from the Justice Department.
- An attorney friend of Rand in Washington state obtained a copy of Dorgan's and Olson's marriage license.
- A third attorney, Marion Edwyn Harrison, was asked by Rand to hire North Dakota private detectives, who researched Dorgan's divorces and interviewed people about his private life.

The factors pointing to Andrews as the initiator of the investigation are many, but circumstantial. Both former and current aides say that Andrews is paranoid about Dorgan's popularity and well-known desire to become a senator. A good friend of Andrews initiated the investigation. The anonymous mailing was aimed at Dorgan's political Achilles heel.

And, even though Dorgan withdrew from the Senate race three months before private detectives began to investigate his life, sources close to Andrews say that the prevailing sentiment in his office was that Dorgan's announcement was a ruse.

These sources said that Andrews and his top aides believed that Dorgan was likely to be drafted for the Senate race at the state Democratic convention in April, a month after the detectives started their probe.

But Andrews points out several logical arguments against his involvement, not the least of which is that nothing was discovered in the investigation that Andrews didn't already know.

"Let's be candid about it," Andrews said in an interview last week. "I know more about Dorgan, and Dorgan knows more about me, than either one of us really wants to know."

Andrews asserts that even if he wanted to investigate Dorgan, he would use his political network in North Dakota, not hire Washington attorneys and private detectives.

"How would Rand be better able to make an inquiry than I would?" Andrews said. "I know lawyers all over that state. I have campaign chairmen in each county. I have friends at the courthouses throughout that state. Why would I need some attorney from Washington to make the inquiries that I could make better and quieter by myself?"

Finally, Andrews said, he is too smart to get involved in what now appears to be an amateurish probe.

"I have been accused of being a lot of things, being tough, as you say, being irascible and all of those — nobody has ever accused me of being stupid," Andrews said. "But this is the most patently stupid thing that you could imagine."

Rand, who could solve this puzzle and get Andrews off the hook — has remained unavailable to both Dorgan and reporters. Rand gave his views this week through yet another attorney, J. Jonathan Schraub, who sent a terse letter to Dorgan and Andrews.

In the letter, Rand acknowledges making "informal inquiries" involving Dorgan and his wife. He says that he was never "retained or compensated in connection with these matters" and that "Andrews was not involved in any way, shape or form."

The letter doesn't mention the anonymous mailings, but does say that the Dorgan probe "might concern the U.S. timber industry."

Little has come to light about Rand's law practice. But Andrews and others have suggested that Rand has a long association with the timber industry.

At the time of the probe, Congress was drafting several bills to restrict Canadian lumber imports. Dorgan's wife, Olson, was lobbying against the restrictions. When the matter came to a vote in May this year, Dorgan voted for the restrictions.

After reading the Rand letter suggesting timber industry involvement, Dorgan said he believes that it fails to explain the anonymous mailings to North Dakota newspapers.

Whoever initiated the probe, it appears that it eventually turned into a clumsy comedy of errors. Reporters first learned about it after at least one of the investigators was overheard boasting about it in a bar. A news clip in the mailings carried a coding that made it traceable to the state Republican Party headquarters.

And the one potentially embarrassing piece of information about Dorgan wasn't found by the investigators. After the anonymous mailings reached newspapers, an Associated Press reporter in Washington discovered that Dorgan had failed to list his wife's job on his financial disclosure forms, as required by House ethics rules.

As the week ended, Dorgan met with his attorneys to work out the details of a Federal Election Commission complaint that he plans to file this week alleging that the mailings violated election laws.

Bert Rand, who has successfully avoided the press for two weeks, was said by his lawyer to be heading to Europe for vacation.

And Andrews, saying that he was tired of "twisting in the wind" because Rand refuses to give a complete explanation, was headed back to North Dakota for Congress' summer recess.

During almost non-stop campaign appearances across the state, Andrews said that he hopes to convince voters that he has been unfairly convicted by the press of guilt by association.

"It's a great little setup, and if I can figure my way out I'd love to," Andrews said. "But so far I haven't been very fortunate in doing it."

P.4

Turtle Mt. Star - Rolla 8-18-86

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The first Golden Holstein Award

U.S. Representative Byron Dorgan (D-N.D.) is going to file a complaint with the Federal Election Commission "against a Washington lawyer who prompted an investigation into the congressman's private life," The Forum reported on Friday.

We understand Dorgan's apprehension and his irritation over the matter.

We're not sure what the fuss is all about.

The matter surfaced a few weeks ago when it was revealed that Dorgan's wife was a registered lobbyist for a firm that represents several foreign interests and agencies. Kimberly Sue Olson, Dorgan's wife, the report indicated, was directly involved in lobbying efforts for the Canadian timber industry. That information came, we're told, from investigations instigated by unknown persons. Later Dorgan acknowledged that he had failed to note his wife's occupation on required congressional forms. It was an oversight, Dorgan said.

It was the same p.i.'s, it was reported, who also checked out the divorce proceedings of Dorgan's two previous marriages.

The whole affair – the hiring by unknown persons of a private investigative firm, the claims and counterclaims of non-involvement by Senators Andrews and Burdick – unless something more develops, takes on an air of being rather disgusting, maybe even insulting.

If those private eyes dug up anything on Dorgan it has yet to be published. It obviously wouldn't take the talents of a private investigator to walk into a court house and look at public documents such as divorce papers. And the revelation to his constituents that Dorgan's wife is a registered and approved (by other congressmen on the House Ethics Committee) lobbyist isn't anything that Dorgan should be upset about. But we suspect that Dorgan hasn't fully-accepted what most voters consider to be the fuctionary role of an elected official.

When The Forum of Fargo-Moorhead, a few months ago, visited Dorgan, Andrews and Burdick in Washington to provide the people back home with a glimpse at their personal lifestyles, Andrews and Burdick opened their Washington apartments to the the newspaper and thus to the people of North Dakota. Dorgan, claiming personal immunity, denied the request. While we don't expect the press to jump into bed with politicians, the public is entitled to a minimum of personal introspection of the officials they elect. They are still public people, even to a large extent, off the job. One might expect that most officials in Dorgan's position would welcome the public exposure. Only the undefeatable Dorgan, perhaps, would be above it.

As is Dorgan, we'd like to file a complaint, too. Two, in fact. Our complaints would go against the person or persons who hired private investigators to do a job any retired carpenter in Wilton could have handled; and against the North Dakota media people who have failed to report the story fully, in not printing the information that has so upset Congressman Dorgan.

And we have an award to present, as well.

We're presenting the Golden Holstein Award to Tax Commissioner Kent Conrad who's milking the whole affair to the max. Midst all the clamour of the Dorgan investigation, Conrad's claiming that someone asked a radio station in Bismarck for a tape recording of a Conrad news conference -- thus linking him with the investigation. Under normal circumstances, Conrad, who of course is running for the U.S. Senate, would have been happy to hand out hundreds of the recordings to anyone who would care to listen.

The connection, if there is one, has manged to keep Conrad, who we've found to be a kiad of humble-Bryon Dorgan, in every investigation story printed. Kent, this cud's for you.

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BISMARCK OFFICE

William A. Ke... Publisher
David M. Fu... Editor
Larry Johnson ... Editorial Page Editor

Views of Tribune Editorial Board

Will the string lead to one hand or many?

Last week The Tribune published two letters from readers who felt that friends, relatives or others were falsely implicated in what has become known as "the Dorgan file."

The letter writers thought the newspaper owed these people an apology.

We've re-read the story in which apparently uninvolved parties were named in excerpts from unsigned letters. These excerpts were preceded by the statement that the letters "may have been a smokescreen" to direct attention away from out-of-state lawyers involved in stirring up the controversy.

Note the qualifiers "apparently" and "may have been."

That's the trouble with newspaper investigative reporting. We seldom "know" the truth or falsity of accusations. We don't have subpoena powers. Our sources can't be forced to testify under oath.

Given those limitations, should we simply wait until the official organs of government have something to report? That's hardly good advice for a free press, and Americans might still be living in a British colony if Ben Franklin and Tom Paine had followed it.

What we do is collect as much information as we can reasonably assume to be accurate, combine it with the claims of others — clearly labelled as such — and point to possible conclusions.

Laying it all out often prompts further disclosure, and it did in this case. Eventually a pattern emerges which can lead to formal judicial or legislative inquiry, or may simply allow readers and voters to draw their own conclusions.

Is it wrong to name names and let the chips fall? Politics is a messy business. People who work in the political process know or should know that they can expect a certain amount of flack to be flying around at election time.

We didn't put much faith in those anonymous pot-shots at Republicans, and we told our readers to take them with a grain of salt. But it was anonymous pot-shots at Democrats that got this investigation started, and those happened to be right on the money.

The letters' claim that local government officials and employees had played minor roles in a political whodunit did have some plausibility. Since no criminal or even unethical behavior was alleged, we saw no reason to omit their names.

We are always willing to give people caught up in controversies a chance to respond. We solicited responses from three of the four people named in the anonymous letters; the fourth was omitted because we assumed, perhaps wrongly, that her husband's answer and those of the others with whom she worked amounted to a blanket denial.

As with most of the mysterious attempts to manipulate public opinion in this case, the poison pen letters provided further clues to the identities of the people really responsible.

It will be interesting to see if the string eventually leads to the hand of a master puppeteer -- or frays into a tangle of threads being pulled by stage hands who just wanted to get in on the act.

Bio T
8-19-86

For anybody who tuned in late:

The "Dorgan file" was a package of materials mailed anonymously to several news organizations in June and July and first published in The Tribune. It documented the fact that the wife of Rep. Byron Dorgan was acting as a lobbyist in Washington for firms that included Canadian timber interests. That forced her to register as an "agent for a foreign government."

The Tribune didn't think much of the idea of the wife of an influential legislator trying to persuade other legislators to vote in her clients' interests, and said so.

But The Tribune also began trying to find out who had taken the time and trouble to collect this information, and why.

We didn't think much of the underhanded way it was distributed, and we said that.

We now have a pretty good idea who was behind it and why. When we know for sure, we'll have something to say about that, too.

End detective talk, Dorgan says

Grand Forks Herald 8-19-86 p.1

By Richard Vernaci
Associated Press

BISMARCK — North Dakota Rep. Byron Dorgan says discussion of private detectives hired to investigate his personal life has obscured other campaign issues, but he said he would continue to pursue the matter quietly.

"I'd very much like the issue to be over," Dorgan said Monday at a news conference. "I think it would be unfortunate for North Dakota if this issue eclipses the important discussions that ought to be conducted between candidates for public office."

Dorgan, who is seeking his fourth term in the House, has complained repeatedly about the attention that

Dorgan: See back page

Dorgan

Continued from Page 1A

has been focused on his wife, Kimberly, in the wake of distribution of anonymous packages containing documents relating to her work as a lobbyist for the Canadian timber industry.

However, he said Monday he did not know if the disclosures have caused him any political damage.

Dorgan has been threatening for more than a week to file a complaint with the Federal Election Commission and said Monday that the papers still were being drawn up.

Cando Co. Republican 8-18-86

Mark Andrews to visit

p.5

Senator Mark Andrews and his wife Mary will be visiting the Tenth District on Tuesday, August 26, and will be honored at an Appreciation Party at the Cando Golf Club at 6:30 p.m. that day.

They will be in Langdon during the day and in Cando towards evening. The $50 per plate affair will help kick off the Senator's campaign in the area for another term in the U.S. Senate.

QUOTABLE

Grand Forks Herald Agweek 8-18-86

p.3

"The prospect of the U.S. begging the Soviet Union to take our grain is just sickening."

— C. Ford Runge, a University of Minnesota expert on international agricultural policy, discussing export incentives for the Soviet Union.

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Lawyer 'clears' Andrews in Dorgan File

By GERRY GILMOUR
Tribune Staff Writer

Attorney Bart Rand collected and mailed information on North Dakota Rep. Byron Dorgan only to call attention to the lobbying activities of Dorgan's wife — not to influence an election, his attorney said today.

The statement, the first to identify who sent the material to North Dakota newspapers, would appear to clear Republican Sen. Mark Andrews, a close friend of Rand, of any involvement in the "Dorgan File."

"There's no common sense linking him to this," said J. Jonathan Schraub, Rand's attorney.

Rand, a Washington, D.C., attorney, has had a 30-year association — socially, politically and professionally — with U.S. timber interests. Schraub said Rand initiated the investigation of Dorgan only because Kimberly Sue Olson, Dorgan's wife, had lobbied members of the House Ways and Means Committee on behalf of Canadian timber interests fighting a trade proposal.

Viaje goes after Dorgan (2B)

Dorgan, a member of that committee, voted against the positions advocated by his wife.

Rand had packages mailed to The Washington Times, The Bismarck Tribune and The Fargo Forum earlier this summer containing Dorgan's marriage license, documentation of her lobbying activities, and press clippings about the congressman's sensitivity about his marriage and personal life.

The Tribune used the information to do a story on Dorgan's lobbyist wife, then set out to trace the documents in the package.

"Nobody paid him, there was no client," Schraub said of the investigation by Rand. "But he along with about 20,000 other people in the Northwest shares a concern with the health and vitality of the U.S. timber industry."

Schraub said that Rand first inquired into who Kimberly Olson was after he saw her mentioned in a timber industry publication as working on behalf of the Canadian timber industry. That, he said, led to having Bellevue, Wash., attorney Peter Lund, a friend of Rand's, obtain a copy of her marriage license.

Fritz Glasnche, Rand's law partner, later photocopied records on APDO Associates, Kimberly S. Olson's lobbying firm, from the U.S. Justice Department's Foreign

(More on LAWYER, Page 10A)

Lawyer denies effort to influence election

CONTINUED FROM PAGE 1A

Agent Registration Unit.

The press clippings have been traced to North Dakota Republican headquarters, but no one seems to know how Rand obtained those copies.

Today was the first time anyone associated with Rand has stepped forward to offer an explanation of who was behind the mailing those packages.

Rand has been unavailable for comment since it was discovered that he hired Marion Harrison, another D.C. attorney, to investigate Dorgan. Harrison, according to a Washington, D.C., weekly The Legal Times, is the founder of a group supporting presidential candidate Pat Robertson.

Harrison was forced to resign from a prominent Washington, D.C., law firm after it was learned that he hired private detectives to look into Dorgan's past.

But Schraub said Rand didn't know about the private detectives until he received a report from W.T. Butcher and Associates of Bismarck in June. He acknowledged that Rand repaid Harrison the $2,200 paid to Butcher. "You're not going to leave him" with the bill, Schraub said. "But $2,000 is no big sum of money. And when he got the Butcher report what did he do with it? Nothing. If someone wanted to do all this to Byron Dorgan he would have released the Butcher report, Byron Dorgan per se was not the issue here."

According to Schraub, the package Rand sent to the newspapers did not contain any of Butcher's report.

Schraub was hired by Rand last week after Dorgan and Senate candidate Kent Conrad said they planned to ask the Federal Election Commission to investigate.

The Democrats have yet to file that complaint and were unavailable for comment this morning.

And although a Butcher agent did make inquiries into at least one Conrad press conference, Schraub said Rand could care less about the tax commissioner's background. "There ought to be a law against riding on the side of a car, which is all he's doing," Schraub said. "I don't even know his name."

He said only public documents were gathered on Dorgan. "If we wanted to influence an election, believe me we could do it," Schraub said.

He also charged that Dorgan has tried to work the entire affair to his advantage. "I don't blame Byron Dorgan for anything, he's doing, he's a politician," Schraub said. "But the man is dodging the hard questions."

Schraub claimed Dorgan has yet to produce proof that he checked with the House Ethics Committee about his wife's role as a lobbyist.

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LEVEL 1 - 1 OF 2 STORIES

Proprietary to the United Press International 1986

August 19, 1986, Tuesday, BC cycle

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BODY:

A Washington, D.C., attorney and close friend of Sen. Mark Andrews, R-N.D., was responsible for conducting an investigation into the personal background of Rep. Byron L. Dorgan, D-N.D., an attorney said Tuesday.

Attorney Bert Rand was interested in publicizing a potential conflict of interest involving Dorgan's wife's work as a lobbyist for Canadian timber interests, said J. Jonathan Schraub, also a lawyer from Washington.

Proprietary to the United Press International, August 19, 1986

Pickup 3rd graf ''

''Rand and some associates were responsible for conducting the investigation. They shared many interests with others in the (U.S.) timber industry,'' Schraub said.

''(Rand) is responsible for investigating, making the inquiries with respect to a congressman whose wife lobbies for a foreign country,'' he said.

Dorgan married Kimberly Sue Olson, his third wife, last year. Olson works for APCO Associates, which handles an account for the Ottawa-based Canadian Forest Industries Council.

'' Schraub is not telling the truth'' about Rand not working for anyone else in the investigation, Dorgan said in a telephone interview.

'' Andrews said Rand was working for a client,'' the congressman said.

Andrews, in denying any involvement in the investigation, said last week he had talked to Rand who told him he had organized the investigation for a business client.

Rand also was responsible for sending packets of information about Dorgan's wife to some North Dakota newspapers and The Washington Times earlier this year, Schraub said.

Rand called another Washington attorney, Marion Harrison, to assist in the investigation, he said. Harrison alone took it upon himself to hire a Bismarck, N.D., detective agency to investigate Dorgan and his wife, Schraub said.

"The facts brought out by public documents and submitted to North Dakota newspapers raises very serious questions," he said.

Rand decided to shelve the investigation report submitted by the Bismarck agency after it was found irrelevant to the conflict of interest issue, Schraub said.

Rand is out of the country and unable to be reached for comment, he said.

Dorgan had received both verbal and written approval from the House Ethics Committee about his wife's role as a lobbyist for a foreign country, Dorgan aide Pat Carlson said.

Proprietary to the United Press International, August 19, 1986

Andrews was not in any way involved with the investigation, Schraub said. Andrews has called on Rand to talk to the press to say he was not involved.

Meanwhile, Dorgan is considering filing a complaint with the Federal Election Commission.

The election commission complaint would allege that whoever financed the investigation violated election finance laws by failing to report the election-related expenditure, said Dorgan, who is running for re-election to a fourth term.

LEWIS NEWS

LEWIS NEWS

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Grand Forks Herald

ESTABLISHED JUNE 26, 1879

"It will be the people's paper, run strictly in their interests, guarding jealously their rights, and maintaining boldly their [illegible]" [illegible] Founder

Michael Maidenberg, Publisher — Mike Jacobs, Editor — Steve Schmidt, Editorial page editor

'Blue' Hawaii, other perks were too much

North Dakota Blue Cross officials seem to be suffering from too much Hawaiian sun.

In February, Blue Cross board members and executives spent $85,000 in Maui. It was a long and expensive trip to take. They could have stayed in North Dakota, and still gotten away from pressures of work at home.

Recent disclosures of the Hawaiian spending were considerably higher than earlier thought when the state insurance commissioner first lambasted Blue Cross executives for the trip. Yet Blue Cross-Blue Shield seems surprisingly oblivious to the damage this image of luxury at the top may cause to public confidence in the health-care system.

Other news about Blue Cross spending — the half-million-dollar golden parachute for its former president, Hale Laybourn of Fargo, and the $73 million surplus exceeding state limits in North Dakota — gives the public ample cause to wonder about the judgment of the Blue Cross management.

How do you explain to a family paying $200 a month in insurance premiums that Blue Cross officers couldn't be happy on Maui with small compact rental cars, so they had to spend more for bigger ones to tool around the island?

How do you explain that it was in the interest of holding down health costs in North Dakota to fly the company president to Dublin, Ireland, only a few weeks after getting state criticism for going overboard in Hawaii?

How do you explain to a farmer who can barely afford to keep up his premiums for health care that the early retirement of the Blue Cross president needs to include a paid-up membership to a Fargo country club for two more years, all of his automobile expenses, plus $30,000 for travel, and more than $410,000 in consultant salaries and bonuses?

Blue Cross defenders say the company is doing a good job for its subscribers, so why the fuss.

The "Blues" may not be seeing the damage that can be done, and that's an indication the management has grown too comfortable.

Steve Schmidt
for the editorial board

Our opinion

Legitimate ways to judge politicians

Rep. Byron Dorgan's plea to end discussion about an investigation of his personal life is surprising. It was Dorgan who raised the issue in the first place, though that came after newspapers had run stories about his third wife, apparently based on material the investigation uncovered. It was Dorgan who suggested that the investigation was politically motivated. It was Dorgan who kept the issue alive by hiring an attorney and by preparing a complaint for the Federal Elections Commission.

It's understandable that Dorgan is uncomfortable with the discussion, but his discomfort doesn't mean that the issue should go away.

A political campaign should focus on issues, but voters also want to know about how their elected officials live their own lives and about how they conduct their campaigns.

These are legitimately part of a campaign and both are legitimately ways to judge the suitability of candidates for public office.

Dorgan's own criticism of the investigation of him, and his suggestion that certain political figures might be behind it, is an effort to make the conduct of the campaign a campaign issue.

If the investigation itself is to be a campaign issue, the subject of the investigation has to be an issue, too.

Mike Jacobs
for the editorial board

8204073175 2

Trib
8-20-86

Dorgan: Rand story riddled with holes

By GERRY GILMOUR
Tribune Staff Writer

Rep. Byron Dorgan says he isn't convinced that Washington, D.C., attorney Bert Rand was acting independently in his investigation into Dorgan's background.

And this morning the Democrat was in his Bismarck office reviewing a complaint he plans to file with the Federal Election Commission, which names Rand as a respondent and alleges that someone was trying to influence a Congressional election.

Senate candidate Kent Conrad will join Dorgan in the complaint.

Rand's attorney said Tuesday that Rand was only interested in Dorgan because Dorgan's wife, Kimberly Sue Olson, had lobbied Congress on behalf of Canadian timber interests.

Attorney J. Jonathan Schraub said Rand, a close friend of Sen. Mark Andrews, has been politically, socially and professionally involved in the U.S. timber industry for the past 30 years.

But Dorgan says Schraub's story leaves too many unanswered questions.

On Aug. 6, Andrews told reporters he had called his friend when he saw news accounts linking Rand to the investigation. "He stated that he didn't do political work," Andrews said at the time. "A client

(More on DORGAN, Page 16A)

CONTINUED FROM PAGE 1A

had requested public document information on Congressman Dorgan and he had done that."

"Last week we had Sen. Andrews saying that Rand told him he was hired by a client. Now we have Rand's attorney saying there is no client," Dorgan said late Tuesday. "One of those statements is false. This is clearly an issue of deception."

Andrews' press aide, Tim Burke, called reporters for the Fargo Forum and Bismarck Tribune to say that Schraub would speak on behalf of Rand, who is now on a month-long vacation.

Tuesday's statement on behalf of Rand was the first since he and several other attorneys were found to be responsible for the mailing of anonymous packages and letters designed to damage Dorgan.

Schraub also said Rand never authorized but eventually paid $8,200 for W.T. Butcher and Associates, a Bismarck detective agency, to investigate Dorgan. Schraub said Washington, D.C. attorney Marion Harrison — who hired Butcher — was repaid only after Rand learned private eyes had been hired.

That contradicted an earlier letter from Schraub to Robert Dietz, Dorgan's D.C. attorney, which said no one was ever compensated for the investigation.

Schraub said that Butcher's report on Dorgan was shelved.

Investigators from the firm also made inquiries about Conrad, but Schraub said Rand had no interest in Conrad and never received a report on Conrad.

In a joint press release today, Dorgan and Conrad attacked Schraub's account of the investigation.

If the investigation was personal, they asked "why then did Mr. Rand hire another law firm to hire private detectives." Harrison has been quoted in a legal journal as saying his mission was "to insulate the investigation," from Rand.

They also questioned what private detectives in North Dakota could learn about the timber industry, if that was truly Rand's only concern.

"Mr. Rand... would have us believe that an investigation which involved a lawyer on the West Coast, who is a friend Mr. Rand; and attorney on the East Coast, who is an associate of Mr. Rand; a second lawyer on the East Coast, who is hired by Mr. Rand to hire private detectives was all done at no one's request with no one being compensated and for no purpose other than personal curiousity. Someone is not telling the truth," the statement said. "We intend to pursue this matter until we learn who paid for it and who initiated it."

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Forum editorial

Dorgan, Conrad ride issue that clouds main point

The decision has been made, again. Congressman Byron Dorgan and state Tax Commissioner Kent Conrad filed a complaint with the Federal Election Commission Thursday charging that political funds were used to hire private detectives to probe into their backgrounds.

The decision was announced at a Grand Forks news conference Wednesday. It had been announced before.

Each time it gets wide news coverage, tending to obscure the issue behind the investigation and the information that was turned up: that Dorgan's wife is a lobbyist for Canadian and other interests; that she lobbies Congress, presenting a potential conflict of interest for Congressman Dorgan.

Possibly more harmful to Dorgan than this is the fact that he did not report his wife's occupation on his 1985 disclosure form filed May 14, 1986, or on an addendum filed May 21, 1986.

Dorgan admits this, but says he made an honest mistake.

Dorgan resents that a private detective was hired by someone to uncover this fact, a fact that should have been made public by him in the first place. He has diverted attention from his serious mistake by making a fuss about who hired the private detectives.

Conrad, as adept as anyone in getting publicity, has jumped on the merry-go-round and is joining in the FEC complaint. He suspects that he is also being investigated because someone asked a radio station for a tape of one of his news conferences.

There is nothing more public than a news conference. We would think that Conrad might be flattered, even grateful, to anyone asking for a copy.

This is the same Conrad who revealed to the news media only days before the 1984 gubernatorial election that Gov. Allen Olson, Republican, had not filed an income tax form.

He said he had no choice but to release this information because he was asked a direct question by a Grand Forks news person.

But who asked the Grand Forks news person to ask Conrad for the information? Was it Conrad himself? Maybe Olson should have filed for a public investigation of that. It might have thrown a smokescreen over the fact that he had neglected to file his taxes.

Of course, there was no showing of tax evasion, but the bad example of a governor procrastinating was enough to lose him a lot of votes.

Now, Dorgan and Conrad are filing a complaint. Sen. Mark Andrews, Republican, who is a friend of an attorney that instigated the probe of Dorgan, offered to join in the FEC complaint because he doesn't go along with the hiring of private detectives to do that kind of legwork. (And that's all it is, legwork.)

But Dorgan and Conrad did not invite him in as one of the complainants.

Conrad is opposing Andrews in the U.S. Senate race. Any possible gain from asking for the FEC action would be lost if Andrews joined in. Conrad wants in on the Dorgan publicity.

They are campaigning together, with Dorgan seeking re-election to his House seat. His opponent is a little-known Republican, Syver Vinje.

If the publicity continues over the hiring of private detectives, Vinje might stand to gain some votes.

Dorgan keeps harping on a probe, from which the only damaging result so far has been to him because of his wife's occupation as a lobbyist and his failure to report it, twice.

8204073175S

Dorgan, Conrad file complaint

By Reed Kerstin
and James McGregor
Herald Washington Bureau

WASHINGTON — Rep. Byron Dorgan, D-N.D., and State Tax Commissioner Kent Conrad have filed a complaint with the Federal Elections Commission about a once-secret investigation into Dorgan's private life.

The complaint, filed Thursday, claims the North Dakota Republican Party and the state campaign committee for Sen. Mark Andrews, R-N.D., who is being challenged by Conrad in this fall's elections, may have violated federal election laws by not reporting spending on the investigation.

A package of derogatory material about Dorgan, which has been traced to the secret investigation, was mailed anonymously to newspapers earlier this summer.

The complaint claims the material represented an attempt to influence the fall elections, so spending on the material and the investigation should have been included in campaign reports filed with the FEC.

The FEC filing is another step in a complicated political saga that apparently began last year when Dorgan was considered the most likely Democratic candidate to challenge Andrews for the Senate. Polls then showed Dorgan beating Andrews handily.

At that time, a secret investigation into Dorgan's private life was begun. In recent weeks, Bert Rand, a close friend of Andrews, acknowledged initiating the probe.

The investigation involved several attorneys associated with Rand and a North Dakota private detective agency. They gathered documents indicating that Dorgan's wife, Kimberly Sue Olson, 28, filed as a lobbyist for the Canadian timber industry. The records of Dorgan's two divorces also were examined.

A packet of this material was sent anonymously to newspapers this summer. Also included in the mailing was a press clipping traced to state Republican Party files.

When the secret investigation became public in August, Republican officials and Andrews denied any involvement. Republican officials claimed the press clipping was available to any party member.

On Thursday, Dorgan and Conrad also asked the FEC to get an explanation of the investigation from Rand and the other involved attorneys and the Bismarck-based detective agency, W.T. Butcher and Associates.

Both Dorgan and Conrad declined comment on any part of the complaint.

"Our attorney has told us that once it's been filed, it's inappropriate to comment," Conrad said. "It's now a court matter because if they (the FEC) would dismiss it, our next avenue would be in federal court."

But both Democrats acknowledged that it's unlikely the laborious FEC hearing process, which often takes more than a year, would come to any conclusion until after this fall's election.

Dorgan said he filed the FEC complaint because he was unable to get an explanation from Rand about who was responsible for the investigation.

"No one was willing to come forward and indicate who was responsible," he said. "And the stories that were put forth were so filled with contradictions they clearly were not accurate."

Layton Freborg, chairman of the state Republican Party, ridiculed any accusation that his organization was involved in the Dorgan investigation.

"I wish there were a penalty for false allegations in cases like this," he said. "I can only say what we've been saying all along. We're as clean as a whistle. I'm not at all nervous about an FEC investigation and neither is my staff. We don't know anything."

Andrews earlier said he would join in any FEC complaint to find out who was responsible for the Dorgan investigation. Tim Burke, his press secretary, said Thursday the senator did not join in the complaint by Dorgan and Conrad because he was not invited to participate.

But Andrews will file his own FEC complaint within a few weeks, Burke said.

Grand Forks Herald
8-29-86

P.1

Dorgan, Conrad file FEC complaint

Forum and wire reports

BISMARCK, N.D. — Rep. Byron Dorgan, D-N.D., and Tax Commissioner Kent Conrad filed a complaint Thursday with the Federal Election Commission alleging an illegal campaign spending "cover-up" by the campaign committee for Sen. Mark Andrews, R-N.D., the North Dakota Republican Party and others.

The complaint details what is known to date about a private investigation of Dorgan, and asks that the FEC conduct its own investigation into the situation.

It also alleges that the private investigation was expanded to include Conrad.

Conrad said he and Dorgan were advised by their lawyer not to comment on the complaint, other than to say that it was filed about noon Eastern time with the FEC.

He said there are three Democrats and three Republicans on the FEC, and it takes four votes to initiate an election investigation.

Conrad said he has no idea when the FEC will take up the complaint.

The complaint names the state Republican party; People for Mark Andrews, Andrews' re-election committee; Bert Rand, a friend of Andrews and a Washington lawyer who has admitted initiating an investigation into Dorgan's affairs; Marion E. Harrison, another Washington lawyer hired by Rand to conduct part of the investigation; Fritz Gresecke, an associate of Rand's law firm; W.T. Butcher, a Bismarck private investigator who did some of the actual investigating; Peter Lind, a Seattle lawyer and friend of Rand; and "John Doe and Richard Roe."

Andrews, saying "there has been so much talk about this across the entire state," will file a request with the FEC for a similar "generic" investigation to find out how the probe was financed.

"I would like to see a good, healthy, bipartisan investigation to find out where this money came from (and) clear this thing up," he said. "I know it wasn't our money. We have open files on (Secretary of State) Ben Meier's desk and with the Federal Election Commission in Washington."

Andrews' request could be completed and put before the FEC within a week, he said.

Andrews also questioned why

☐Complaint
Back page, Column 1

☐Complaint

Continued from Page A4

Conrad because agent (sic) (an investigator with the Butcher firm, Dan Hendek, tried to obtain tape recordings of a Conrad news conference from a Bismarck radio station.

"My opponent claims his campaign was hurt when an investigator asked for a tape recording of his news conference," Andrews said. "How someone could be damaged by someone else acquiring a tape of what they said to a room full of media people really boggles the mind."

Gary Emineth in state Republican headquarters said of the complaint, "We're not concerned about it because we haven't had any involvement from the beginning."

A woman at Rand's law office said Thursday, "We expect him (Rand) sometime in September and we don't know where Mr. Gresecke is." Rand reportedly has been on vacation for several weeks.

Butcher said he couldn't comment because he hadn't yet seen the complaint, but added, "I'm not concerned about it."

According to the complaint, the investigation of Dorgan was begun in October 1985 when Dorgan still was considering a challenge against Andrews, and was expanded to include Conrad when it became apparent he would be the Democratic Senate nominee.

"Those involved in this surreptitious enterprise have refused to respond candidly to inquiries regarding the investigations and their participation in them," the complaint says. "Only a thorough investigation by the FEC with its subpoena power will allow the complete factual picture to be revealed and the roles of all parties to be understood."

It goes on to say: "The explanations that have been provided by the principals in this case are neither complete nor for the most part believable. It is thus difficult to avoid the conclusion that the investigations of Dorgan and Conrad were unlawful political actions that are now being covered up."

The complaint states that at least $2,380 was spent on the investigation and says "estimates of the cost of the investigations range as high as $100,000."

Andrews said if the $100,000 figure is accurate, then FEC investigators should have little problem finding where the money came from.

"That's a fantastic amount of money," he said. "There must be traces of it around."

The 23-page report concludes, "At the least, the FEC should consider a finding of aggravated and willful misconduct and impose appropriate remedial action."

Dorgan and Conrad have said for two weeks they would file a complaint.

Earlier, material had been distributed anonymously to a handful of newspapers, alleging that the employment of Dorgan's wife, Kimberly, as a lobbyist represented a conflict of interest.

That issue has been picked up by GOP House candidate Syver Vinje, who has criticized Dorgan repeatedly for his wife's lobbying activities and called on the congressman or his wife to resign.

Neither Vinje nor his campaign were named in the complaint.

"His name doesn't creep up anywhere in this," Dorgan said in a telephone interview from Washington.

State GOP Chairman Layton Preborg said he had not seen a copy of the complaint, which he criticized as a smoke screen, and repeated that the party was not involved in the operation.

"I'm just as clean as a whistle, and I plan to stay that way," Preborg said.

"I think it's a big smoke screen," Preborg said. "I think they've diverting attention from what the real issue was in the beginning."

The complaint asks the FEC to move quickly in initiating an investigation.

However, Fred Eiland, a spokesman for the commission, said it may take up to 45 days for a complaint to come before the six-member commission, in part to give time for named parties to file responses.

If four commissioners decide they have reason to believe the law was violated, they can order an investigation, Eiland said.

Under the timetable described by Eiland, an investigation, if one is ordered, would not be started until three weeks before the election.

The commission's work is kept confidential until it is completed, Eiland said.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 6, 1986

The Honorable Mark Andrews
United States Senate
724 Hart Senate Office Bldg.
Washington, DC 20510

Dear Senator Andrews:

This letter will acknowledge receipt of a complaint filed by you which we received on September 24, 1986, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Mr. Bert Rand, Mr. W. T. Butcher, and Mr. Marion E. Harrison. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as the original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter MUR 2251. Please refer to this number in all future correspondence. If you have any questions, please contact Retha Dixon at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble (RHP)
By: Lawrence M. Noble
Deputy General Counsel

Enclosure

8204031757

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 6, 1986

Mr. W. T. Butcher
W. T. Butcher & Associates, Ltd.
1424 W. Century Ave., Suite 106
Bismarck, ND 58501

Re: MUR 2251

Dear Mr. Butcher:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2251. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C.§ 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

8904073758

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble (RHE)

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

8904073175 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 6, 1986

Mr. Marion E. Harrison
Scott, McLeod, Himmelberg, Matz, Pires & Price
2501 M Street, N.W.
Suite 400
Washington, DC 20037

Re: MUR 2251

Dear Mr. Harrison:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2251. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble (RHZ)
By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

8904073176 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 6, 1986

Mr. Bert B. Rand
Trammell, Rand, Nathan & Lincoln
1000 Potomac Street, N.W.
Washington, DC 20007

Re: MUR 2251

Dear Mr. Rand:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2251. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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8904073176 2

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble (KBC)

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

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FEC
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W. T. BUTCHER & ASSOCIATES, Ltd.
1424 W. CENTURY AVE. SUITE 106, BISMARCK, ND 58501 (701) 224-1541

October 10, 1986

Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2251

Dear Mr. Steele:

Reference is made to your letter dated October 6, 1986 in regards to referenced matter.

I refer you to my letter dated September 30, 1986, made in response to your file MUR 2229, and advise that my response to this complaint is the same as that filed in the earlier matter.

Further, I register my same complaint that Rep. Dorgan and Mr. Conrad are abusing the system and their respective offices for purely political reasons to harass and intimidate a small businessman such as myself. They have used members of the media and goverment officials as their agents to question and scrutinize every aspect of my business during the past two months.

Finally, as in the earlier matter, I hereby authorize and encourage the Federal Election Commission to make my responses available to the public.

Sincerely,

W. T. Butcher
Individually and as President of W. T. Butcher & Associates, Ltd.

WTB:bb

86 OCT 17 A10 : 42

8904073176 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING

DATE: DECEMBER 12, 1986

SUBJECT: MUR 2251 - FIRST GENERAL COUNSEL'S REPORT
SIGNED DECEMBER 10, 1986

The above-captioned matter was received in the Office of the Secreatary of the Commission Thursday, December 11, 1986 at 9:31 A.M. and circulated to the Commission on a 24-hour no-objection basis Thursday, December 11, 1986 at 4:00 P.M.

There were no objections received in the Office of the Secretary of the Commisison to the First General Counsel's Report at the time of the deadline.

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FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

Date and Time of Transmittal By OGC To the Commission _____

MUR 2251
Date Complaint Received by OGC: September 29, 1986
Date of Notification to Respondent: October 6, 1986
Staff: Kim Bright-Coleman

Complainant's Name: Senator Mark Andrews

Respondents' Names: Bert B. Rand
Marion E. Harrison
William T. Butcher

Relevant Statutes: 2 U.S.C. §§ 431(9), 441a(a)(1), 441a(d), 441b, 432, 434

Internal Reports Checked: None

Federal Agencies Checked: None

SUMMARY OF ALLEGATIONS

On August 28, 1986, Representative Byron L. Dorgan and Kent Conrad, then Democratic candidates in North Dakota, filed a complaint with the Commission alleging that the North Dakota State Republican Party and several individuals acting as its agents, including Bert B. Rand, Peter Lind, Fritz Giesecke, Marion E. Harrison, violated the Act by conducting an investigation into their backgrounds and mailing materials obtained as a result of this investigation to the press. The complaint contends that the investigation and mailings were done to benefit the reelection campaign of Senator Mark Andrews, a Republican, and, therefore, payments for and services rendered during these activities were expenditures made to influence a Federal election. This matter has been designated MUR 2229.

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A report was circulated on October 10, 1986 concerning an extension of time granted in that matter.

On September 29, 1986, Senator Mark Andrews filed a complaint in the instant matter alleging possible violations of the Act arising from the same investigation. The complaint states that Bert B. Rand, Marion E. Harrison, and William T. Butcher may have violated the Act by conducting an investigation into "the personal lives of various individuals," including Andrews' opponent in the general election, Kent Conrad. Respondents were notified of the complaint on October 6, 1986.

Because these complaints involve the same set of facts and raise similar issues, we intend to recommend that these matters be merged. The complaints involve a complicated series of events and rely upon intricate theories of possible violations. Therefore, it has taken a longer time than anticipated to analyze the complex issues raised in these matters. Once we have completed this analysis, the Office of General Counsel will make a further report to the Commission with appropriate recommendations.

Charles N. Steele
General Counsel

12/10/86
Date

By: Lois G. Lerner
Lois G. Lerner
Associate General Counsel

8204073176 6

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Bert B. Rand, et al.) MURs 2251 and 2229
)
)

FEB 10 AM 10:41

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On September 29, 1986, Senator Mark Andrews filed a complaint with the Commission alleging possible violations of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq., (the "Act" or "FECA".) The complaint states that Bert B. Rand, Marion Edwyn Harrison, and William T. Butcher may have violated the Act by conducting an investigation into the "personal lives of various individuals," including Andrews' Democratic opponent in the general election, Kent Conrad, and mailing information resulting from the investigation to the press. These activities are also the subject of the complaint filed in MUR 2229 by Representative Byron L. Dorgan, a Democrat, and Kent Conrad. In their complaint, Dorgan and Conrad allege that the investigation and mailings were undertaken by the North Dakota State Republican Party ("State Party") and various individuals acting as its agents, including attorneys Rand, Harrison, Peter M. Lind, Fritz H. Giesecke, and a private detective agency, W.T. Butcher & Associates, Ltd. to benefit Senator Andrews' reelection campaign.

While the complaint in MUR 2251, does not allege specific violations of the Act, the complainants in MUR 2229 make several

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complaints have been received from all the respondents. Rand, Harrison and Butcher, named as respondents in both complaints, have each submitted one response for both complaints.

II. **LEGAL ANALYSIS**

A. The Investigation and Mailings.

The complaints filed in both MURs 2229 and 2251 allege violations of the Act stemming from an investigation concerning Representative Dorgan and possibly Kent Conrad. This investigation came to light when information obtained as a result of that investigation was mailed anonymously to several newspapers, including the Bismarck Tribune, the Washington Times, and Fargo Forum, during the summer of 1986. The materials sent to the press included a statement regarding the lobbying activities of Dorgan's wife, Kimberly Sue Olson, as an employee of APCO Associates, a lobbying firm. The statement inferred a conflict of interest resulting from Olson's lobbying activities for Canadian lumber interests before the House Ways and Means Committee and Dorgan's membership on that Committee. Quoting articles in the press, the statement also asserted that Dorgan tried to keep his marriage to Olson a secret. The statement concluded with biographical information on Olson and the following paragraph:

> Dorgan, a Democrat, is serving his third term as North Dakota's sole representative in Congress, having been first elected in 1980. He is running for re-election in 1986. He was North Dakota Tax Commissioner from 1969 to 1980. His successor, Kent Conrad, often described as his protege, is running for the U.S. Senate.

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allegations based upon their contention that the activities were undertaken to influence a federal election and, thus, the payments made and services rendered during these activities constituted expenditures under the Act. First, the complaint alleges that the State Party violated the Act by failing to allocate expenditures for the investigation and mailings to its expenditure limitation under 2 U.S.C. § 441a(d). The complaint asserts in the alternative, that the expenditures by the individuals and entities involved constituted in-kind contributions to the State Party or the Andrews campaign. The complaint alleges reporting violations because neither the State Party nor Andrews' principal campaign committee, People for Mark Andrews, reported the expenditures for the investigation and mailings. To the extent that expenditures were made by a corporation, the complaint alleges that a violation of 2 U.S.C. § 441b has occurred. The final contention made by complainants is that if the activities at issue were undertaken independently of the State Party, these activities triggered political committee status for the individuals involved (Rand, Giesecke, Lind, and Harrison) under 2 U.S.C. § 431(4), and they violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission.

Because the complaints in MUR 2229 and MUR 2251 involve the same set of facts and raise similar issues, the Office of General Counsel recommends that the Commission merge these two matters. Respondents were notified of the complaints in these matters on September 12, 1986 and October 6, 1986. Responses to the

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Attached to the statement were: (1) articles on United States-Canadian lumber trade from the New York Times and the Wall Street Journal; (2) extracts from statements filed by APCO Associates with the Department of Justice pursuant to the Foreign Agents Registration Act; (3) copies of newspaper clippings on Dorgan's reluctance to discuss his personal life in the press which bore the newspaper clipping service account number of the North Dakota State Republican Party; (4) a copy of Dorgan's and Olson's marriage license; and (5) instructions for retrieving Foreign Agents Registration files on APCO Associates from the Department of Justice.

The primary coordinators of the activities involved in these matters were Respondents Bert B. Rand, a partner in the Washington, D.C. law firm of Trammell, Rand, Nathan & Lincoln, and Fritz H. Giesecke, who maintains an independent practice and assists Rand on occasion. Counsel for Rand and Giesecke submitted a response to the complaints on October 24, 1986. In their response Rand and Giesecke admit to coordinating many aspects of the investigation pursuant to a request by a law firm, Schwabe, Williamson, Wyatt, Moore & Roberts, which has offices in Washington, D.C., Oregon and Washington State.1/ They also admit to mailing packets of materials obtained during their inquiry to the Schwabe firm and the press.

1/ In his response, Rand neither identified a specific partner or associate with the Schwabe firm as being responsible for initiating the investigation nor did he state the location of the particular office of the individual making the request.

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According to their response, the investigation was undertaken in the Fall of 1985 to examine the possible conflict of interest between Dorgan's membership on the House Ways and Means Committee and his wife's lobbying that committee on Canadian lumber matters. The Rand-Giesecke response states that the investigation was initiated when the Schwabe firm sent Rand a copy of an article stating that Ms. Olson was a lobbyist for the Candidan timber industry and asked Rand to ascertain if she was married to a Congressman from North Dakota who was a member of the House Ways and Means Committee.

As part of their inquiry, Giesecke obtained newspaper clippings on Dorgan and Olson from a "public clippings library" maintained by the State Party in the Fall of 1985. Furthermore, Rand requested Peter M. Lind, an attorney practicing in Washington State, to obtain a copy of Dorgan's and Olson's marriage certificate. Counsel for Lind submitted a response to the complaint in MUR 2229 on October 6, 1986. Lind obtained a copy of their marriage license on October 11, 1985 from the Washington State Department of Social and Health Services and sent it to Rand. Rand then sent the news clippings and marriage license to the Schwabe firm.

In February or March 1986, Giesecke examined Foreign Agents Registration files on APCO Associates at the Department of Justice. About that time, Rand asked Marion Edwyn Harrison, then a partner in the law firm of Scott, Harrison & McLeod (now Scott, McLeod, Himmelberg, Matz, Pires & Price), if he knew anyone in

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North Dakota who could make inquiries concerning activities by Dorgan and his wife in North Dakota. Harrison submitted a response to the complaints on October 27, 1986 in which he stated that he in turn retained W.T. Butcher & Associates, Ltd., a private detective agency, which conducted a background investigation on Dorgan.

William T. Butcher, President of W.T. Butcher & Associates, Ltd., submitted a response to the complaints on October 17, 1986. His response states that, as a part of the investigation, the Butcher agency checked the court records on Dorgan's previous divorces and interviewed his personal acquaintances. There was some indication in the press that a staff member also requested a tape of a Conrad press conference from a North Dakota radio station. However, Butcher denies that the request was ever made.

Harrison's law firm sent a retainer check in the amount of $500 to the Butcher agency. The Butcher agency submitted a report to Harrison on May 13, 1986 along with a bill for $1782.76 which was also paid by Harrison's firm. The report was forwarded by Harrison to Giesecke. William T. Butcher has stated in his response to the complaint that Harrison's secretary phoned him on June 25, 1986 and told him that Harrison wanted him to continue the investigation. However, he did not state that a further report was made or that additional fees were paid for any subsequent investigation.

Rand's law firm reimbursed Harrison's firm for payments to Butcher and charged the expense to Rand personally. Although Rand and Giesecke paid certain unspecified incidential expenses

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themselves, no fees were billed or paid to the firms or attorneys involved other than the payments to Butcher & Associates.

B. Expenditures to Influence a Federal Election.

The Act defines an expenditure as "any purchase, payment, distribution,... or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9)(A)(i). Commission regulations define the phrase "anything of value" to include all in-kind contributions. Under these rules, the provision of services without charge or at a charge which is less than the usual and normal charge is an expenditure. 11 C.F.R. § 100.8(a)(1)(iv)(A).

Complainants in MUR 2229 allege that the investigation and mailings were undertaken to benefit Senator Andrews' reelection campaign and thus, the payments made and services rendered for these activities constituted expenditures to influence a Federal election under the Act. They assert that the investigation began when an election contest was anticipated between Andrews and Dorgan. The complaint argues that this original purpose was not changed by Dorgan's subsequent decision not to run for the Senate because the complaint alleges that the investigation was then expanded to include Conrad.2/

2/ The complaint also contends that activities conducted after Dorgan decided not to run for the Senate had as their purpose influencing the general election for the House seat. There is no evidence indicating that Dorgan's opponent in the House race, Slyver Vinje, was involved in these activities.

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In addition to the timing of the activities and the fact that they involved both Dorgan and Conrad, complainants note the many ties of the individuals involved to the Republican Party as support for their allegations. Rand has long been a personal friend of Senator Andrews. Also, the newspaper clippings sent to the press bore the State Party's clippings service account number. Complainants further note Harrison's connections to the Republican Party. Complainants contend that the respondents tried to conceal their involvement in the investigation and mailings so that their true purpose would not be revealed.

The State Party and the Andrews campaign have denied any involvement in the activities at issue in these matters. The respondents who admit to playing a role in these activities deny that they were election-related. Rand and Giesecke acknowledge that Rand and his wife "maintain a social acquaintance with Senator Andrews and his wife." However, Rand and Giesecke deny that the investigation and mailings were intended to influence Senator Andrews' election or that there was any coordination or consultation with him or his campaign on these activities. They also deny that these activities were authorized by the State Party.

Rand and Giesecke assert that these activities were intended only to examine a possible conflict of interest between Representative Dorgan's membership on the House Ways and Means Committee and his wife's lobbying the Committee on Canadian lumber matters. They assert that they have an interest in matters concerning the timber industry because Rand has worked

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previously with west coast law firms on timber matters and Giesecke owns timber in Oregon. Their response indicates that, at the time their inquiry began, there was a great deal of interest in the press on alleged subsidies by the Canadian government to the Canadian timber industry. The statement implies that interest in this issue has continued as evidenced by the fact that recently the U.S. Department of Commerce levied a 15% tariff against Canadian timber imports based on Canadian government subsidies.

They further contend that Conrad was never the subject of their investigation and that no information concerning Conrad was ever distributed to anyone other than what they characterize as "one factual sentence" in the statement sent to the press identifying Conrad as Representative Dorgan's successor in state office and as a candidate for the Senate. Harrison and Butcher also state that Conrad was never the subject of their investigation.

Finally, Rand and Giesecke assert that the investigation consisted of obtaining documents available to the public. They have stated that the Butcher report was never disseminated to anyone because it did not contain information relevant to the conflict of interest question. Rand and Giesecke maintain that mailing the packet to the press was a valid exercise of their First Amendment rights.

Under a review of the evidence ascertained so far in these matters, it appears that expenditures may have been made to influence a Federal election. First, the major focus of the

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investigation and the communications to the press appears to have been raising negative implications about Federal candidates and disseminating this information to the public. The communication to the press clearly identified two candidates for Federal office. The statement identified Dorgan as a Federal officeholder and a Federal candidate, specifically stating that he is a Democrat.

The statement also referred to Conrad, identifying him as a Federal candidate for the Senate. Referring to Conrad as Dorgan's "protege" and noting that he was Dorgan's successor in state office appears to have little purpose other than attempting to connect him to the negative implications raised in the statement about Dorgan. Respondents' characterization of the reference to Conrad does little to negate this inference and they have given no other reason for his inclusion in the statement.

Moreover, it appears that the investigation of Dorgan encompassed more than just inquiring into the conflict of interest question. Harrison and Butcher have indicated that their inquiry concerned Dorgan's previous two divorces. A Butcher agency staff member made copies of the transcripts of the divorce proceedings. Harrison refers to the fact that Dorgan has had three wives in his response to the complaints. Rand and Giesecke attempt to disassociate themselves from the Harrison-Butcher inquiry and state that the Butcher report did not contain information relevant to the conflict of interest question in which they were interested. However, they do not deny requesting

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Harrison to obtain information on Dorgan's divorces. They have offered no other plausible reason for seeking background information on Dorgan's activities in North Dakota. Nor have they stated how such an inquiry would be relevant to the conflict of interest question raised regarding Dorgan's activities.

The timing of these activites may be a further indication of an election-related purpose. It appears that the inquiry began at a time when Dorgan was considered a formidable opponent for Andrews' Senate seat. A poll released October 5, 1985 indicated that if the Senate election were held then, Dorgan would defeat Andrews. Since it appears that Rand is Andrews' personal friend, he may have been aware of the speculation that Dorgan would run against Andrews and sought to influence any future election by obtaining information damaging to Dorgan's campaign.

The amount of the expenditures made includes any payments made for the investigation and mailing the packets to the press as well as expenses described by Rand and Giesecke as "incidental." The fees paid to Butcher & Associates, which totalled $2282.76, would also be included. In addition to actual payments made for the activities in question, the amount of the expenditures includes the value of the services provided by Rand, Giesecke, Lind and Harrison. No information has been submitted on what these attorneys would normally charge for their services. Each respondent has stated that his services were performed as an accommodation or personal favor. However, this does not prevent including these services in the amount of the expenditures made in these matters if they were performed for the purpose of influencing a Federal election.

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C. Expenditures by the State Party.

Pursuant to 2 U.S.C. § 441a(d), the national committee of a political party and a state committee of a political party, including any subordinate committee of a state committee, may make expenditures in connection with the general election campaign of Federal candidates affiliated with the party committee, subject to the limitations set forth in that section. A party committee must report its section 441a(d) expenditures pursuant to the requirements of 2 U.S.C. §434.

Complainants Dorgan and Conrad contend that the activities involved in these matters were authorized by the State Party and carried out by the various individuals and entities involved acting as its agents. They assert that the State Party violated the Act by failing to report expenditures for these activities as section 441a(d) expenditures. The complaint also asserts that expenditures for these activities may have caused the State Party to exceed its section 441a(d) expenditure limit.

Complainants contend that the Commission's opinions in Advisory Opinions ("AOs") 1984-15 and 1985-14 are applicable to the facts presented and require that these expenditures be attributed to the State Party's expenditure limit under § 441a(d). In AOs 1984-15 and 1985-14, the Commission considered whether the section 441a(d) expenditure limitations applied to disbursements by two political party committees for proposed broadcast and direct mail advertising programs. The Commission determined in those opinions that the limitations of section 441a(d) would apply to disbursements for communications that both depicted a clearly identified candidate and conveyed an electioneering message.

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The complaint compares the activities involved in these matters, particularly the materials sent to the press, with the proposed advertising programs considered in AOs 1984-15 and 1985-14. The complaint notes that as in AO 1985-14, Dorgan and Conrad were clearly identified by name and as Democrats in the communication to the press. It further asserts that these materials "effectively advocate the defeat of the [Democratic] candidates by raising negative implications about their conduct and tarring their character." The complaint, thus, asserts that the materials obtained during the investigation were distributed to the media in the candidates' election district "with the clear intent that the information would be distributed to voters participating in the general election."

If the State Party authorized or otherwise participated in the activities in question, it may have made expenditures reportable under 2 U.S.C. § 434 as section 441a(d) expenditures in light of AOs 1984-15 and 1985-14. However, there is little indication of a State Party connection to the investigation or mailings. Copies of the State Party's newspaper clippings were included in the packet sent to the press and appear to be the only evidence of its involvement in the activities in these matters. Layton Freborg, Chairman of the North Dakota State Republican Party, submitted a response to the complaint on September 29, 1986. The response contained a general denial of any involvement in the investigation or mailings on the part of

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the State Party, the N.D. Republican Executive Committee, the N.D. State Republican Central Committee and all their officers. While the State Party's response does not provide any information on how it maintains its newspaper clippings or who has access to them, Freborg has indicated in the press that the clippings are available to any Republican in the State. Giesecke has stated that he obtained the clippings from a "public clippings library" maintained by the State Party. It thus appears that many people may have access to the State Party's newspaper clippings. The State Party should not be held responsible for what appears to be an unauthorized use of its clippings, particularly where, as in the instant matters, there is no other evidence indicating its involvement in distributing them to influence a Federal election. Therefore, the Office of General Counsel recommends that the Commission find no reason to believe that the State Party violated 2 U.S.C. § 434 by failing to report expenditures for the investigation and mailings or 2 U.S.C. § 44la(d) by exceeding the limit on expenditures made pursuant to that section.

D. Senator Mark Andrews and People for Mark Andrews.

The complaint in MUR 2229 alleges that Senator Mark Andrews had a connection to the investigation and mailings. It contends that these activities were undertaken to benefit Andrews' reelection campaign and, therefore, contributions in-kind were made to Senator Andrews' campaign. The complaint alleges that the Andrews campaign violated the Act by failing to report these contributions.

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Under the Act, the term "contribution" means any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8), 11 C.F.R. § 100.7(a)(1). Contributions to candidates whether made in monetary form or in-kind are subject to limitation under 2 U.S.C. § 44la(a). Furthermore, under 2 U.S.C. § 44la(a)(7)(B)(i), expenditures by any person in cooperation, consultation or concert with a candidate are considered contributions to that candidate also subject to limitation under section 44la(a). Pursuant to 2 U.S.C. § 434, a candidate's authorized committee is required to report contributions it receives

Senator Andrews has denied any involvement in the investigation and mailings. He has filed a complaint in MUR 2251 alleging possible violations of the Act by others resulting from these activities. Aside from the fact that Rand is his personal friend, there appears to be no evidence connecting him to the investigation and mailings in these matters. Nor is there any indication that his campaign committee, People for Mark Andrews, was involved in these activities. On October 6, 1986, the treasurer of the committee, Robert C. Rust, submitted a letter regarding the complaint in MUR 2229 in which he denied any involvement in the activities in question by the committee or its employees. Thus, it does not appear that there was coordination or consultation with a candidate or his authorized committee so that the expenditures for the activities in question must be reported as contributions in-kind.

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Therefore, the Office of General Counsel recommends that the Commission find no reason to believe that People for Mark Andrews violated 2 U.S.C. § 434 by failing to report in-kind contributions.

5. Expenditures by Individuals.

The complaint asserts in the alternative, that if the activities at issue were undertaken independently of the State Party, payments for these activities caused the individuals involved to incur a registration and reporting obligation under the Act as a political committee and they violated 2 U.S.C. §§ 433 and 434 by failing to register and report to the Commission.3/

The Act defines a political committee as any committee, club, association or other group of persons which receives contributions or makes expenditures which aggregate in excess of $1,000 during a calendar year. 2 U.S.C. § 431(4)(A). Upon reaching the $1,000 threshold, a political committee is required to file a Statement of Organization with the Commission within 10 days. 2 U.S.C. § 433. The committee must continue to file reports of its receipts and disbursements pursuant to 2 U.S.C. § 434 until it terminates its status as a political committee.

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3/ Complainants assert that the individuals made contributions in-kind to the State Party or the Andrews campaign. However, as previously discussed, there is no evidence to indicate that the State Party, Andrews or his campaign committee were involved in these activities so that payments for them should be viewed as in-kind contributions.

The Complainants' contention raises the question whether the circumstances involved in the instant matters are comparable to other situations in which the Commission has found the existence of a political committee. The Commission has previously considered whether individuals become a political committee in the context of two advisory opinions. See AOs 1980-126 and 1986-38. In the first of those opinions, AO 1980-126, the Commission found that political committee status was triggered by one individual's solicitation of contributions from others for the express purpose of influencing Federal elections. The individual had established a bank account in the name "Independent Voters for a Republican Victory" and solicited funds on behalf of the organization from the general public through mailings, handouts and telephone solicitations. The Commission concluded that the individual had reached beyond his personal funds and resources to involve numerous contributors. These individuals constituted a political committee subject to the registration and reporting requirements of the Act. The opinion, however, distinguished that situation from a situation involving the "joint purchase by several individuals (each paying their respective shares of the purchase price directly to the vendor from personal funds) of printing and reproduction services to publish a brochure containing a message of election advocacy."

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By contrast, the Commission reached the opposite conclusion in AO 1986-38. There the Commission determined that expenditures for advertisements made by an individual would not cause him to incur registration and reporting obligations under the Act as a political committee because he was acting by himself as an individual and not on behalf of any group undertaking the activity. Unlike in AO 1980-126, it appeared that the individual would not solicit or receive contributions from others, but instead would pay for the advertisements from his personal funds.

While the responses to the complaint shed light on the roles played by the various individuals involved, it is not clear whether these activities were sufficient to trigger political committee status. The responses indicate that the activities question were coordinated by Rand and, thus, it could be argued that the individual attorneys acted as a group. It is also evident that funds other than the personal funds of the attorneys involved were used to finance these activities since Harrison's firm, Scott, Harrison & McLeod, paid the fees for Butcher & Associates services. Furthermore, questions are raised regarding whether other individuals were involved, such as a partner or associate in the law firm that initiated the inquiry, Schwabe, Willamson, Wyatt, Moore & Roberts, and whether they may have had an intent to influence a Federal election. It is also not clear to what extent resources of other law firms were involved to carry out the investigation or to mail the packets to the press.

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If the individuals involved constituted a political committee, the expenditures made appear to have triggered the registration and reporting requirements under 2 U.S.C. §§ 433 and 434. As previously stated, the amount of these expenditures includes the fees paid to the Butcher agency, the value of the services performed by the various attorneys, the cost of mailing the packets to the press, and any other expenses incurred including those described by Rand and Giesecke as "incidental." The fees paid to the Butcher agency alone, $2282.76, exceeded $1,000 in a calendar year.

In view of the questions raised concerning the activities involved in these matters, the Office of General Counsel recommends that the Commission find reason to believe that the political committee composed of Bert B. Rand, Fritz H. Giesecke, Peter M. Lind, and Marion Edwyn Harrison violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission so that an investigation may be conducted. The Office of General Counsel further recommends that the Commission authorize subpoenas to depose each of the individual respondents in this matter to expedite the investigation in these matters. Specifically, the Office of General Counsel recommends that the Commission issue a subpoena to appear for deposition to: Bert B. Rand, Fritz H. Giesecke, Peter M. Lind, and Marion Edwyn Harrison.

F. W.T. Butcher & Associates, Ltd.

The complaint in MUR 2229 suggests that expenditures by a corporation in violation of 2 U.S.C. § 441b may have been made

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during the investigation. In this respect, the complaint appears to allege that W.T. Butcher & Associates, Ltd., an incorporated private detective agency, made prohibited corporate contributions by conducting its investigation of Dorgan.

Under the Act, corporations are prohibited from making contributions or expenditures in connection with Federal elections. 2 U.S.C. § 441b. The Act defines contribution or expenditure to include "any direct or indirect... gift of... any services or anything of value... to any candidate, campaign committee, or political party or organization, in connection with" a Federal election. 2 U.S.C. § 441b(b)(2). See also 11 C.F.R. § 114.1(a)(1). Commission regulations define "anything of value" to include the provision of any goods or services without charge or at charge which is less than the usual and nominal charge for such goods and services. 11 C.F.R. §§ 100.7(a)(1)(iii) and 100.8(a)(1)(iv).

Butcher & Associates provided services to a political committee for activities designed to influence a Federal election. Butcher & Associates would have made a prohibited contribution or expenditure if it provided these services at less than the usual and normal charge. 11 C.F.R. §§ 100.7(a)(1)(iii)(B) and 100.8(a)(1)(iv)(B). Its services began on March 5, 1986, resulting in the May 13th report, and it may have provided other services in June 1986. The Butcher agency was paid $2282.76 for its services. In his response to the complaint, William T. Butcher, indicates that this investigation was handled

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as a regular part of his agency's business. Harrison submited a copy of the bill for the agency's services. Although the bill does not contain any information, such as the number of hours spent on the investigation, to indicate how the amount billed was determined, a fee schedule is included in the materials attached to Butcher's response. There is no evidence demonstrating that the charge for the investigation was not the normal and usual charge for such services. Therefore, the Office of General Counsel recommends that the Commission find no reason to believe that W.T. Butcher & Associates, Ltd. violated 2 U.S.C. § 441b.

G. Contributions and Expenditures by Law Firms.

The responses to the complaints in these matters indicate that two law firms were involved in the investigation at issue: Schwabe, Williamson, Wyatt, Moore & Roberts and Scott, Harrison & McLeod. If the investigation is viewed as election-related, these firms may have made contributions or expenditures under the Act.

Treatment of the firms' activities depends, in part, upon whether a particular firm is a partnership or a professional corporation. Partnerships may make contributions subject to the limitations of 2 U.S.C. § 441a(a). Commission regulations require, however, that a contribution by a partnership be attributed to each partner in proportion to his or her share of the partnership profits or be attributed according to an agreement by the partners so long as only the contributing partners' profits are reduced or losses increased in proportion

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to the contribution attributed to each of them. 11 C.F.R. § 110.1(e). On the other hand, the Act prohibits corporations from making contributions or expenditures in connection with a Federal election. 2 U.S.C. § 441b. The question of whether a professional organization is a corporation subject to the prohibitions of section 441b is to be determined based upon the law of the State where the professional organization exists. 11 C.F.R. § 114.7(d). See also AO 1983-34.

Schawbe, Williamson, Wyatt, Moore & Roberts was identified by Rand as initiating the inquiry concerning Dorgan. The firm is a partnership including professional corporations with offices in Oregon, Washington State and Washington, D.C.3/ Thus, the Schwabe firm may be a corporation subject to the prohibitions of Section 441b.4/ While it is possible that the firm's initial inquiry was not made for the purpose of influencing a Federal election, the questions raised in these matters warrant an investigation by the Commission regarding the firm's role in the activities at issue. Such an investigation could reveal the identity of the partner or associate with the firm responsible for beginning the investigation, for example. Therefore, the Office of General Counsel recommends that the Commission find reason to believe

3/ This information was obtained from the Martindale-Hubbell Law Directory. The Directory also indicates that a partner in the D.C. office of the firm, Robert B. Duncan, is of counsel to Rands firm, Trammell, Rand, Nathan & Lincoln. Martindale-Hubbell Law Directory, at 618B (1986).

4/ Under District of Columbia law, professional corporations are treated the same as business corporations except for certain purposes specified in the District of Columbia Professional Corporation Act, D.C. Code Ann. §29-601 et seq. (1986).

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reason to believe that Schwabe, Williamson, Wyatt, Moore & Roberts made expenditures in connection with a Federal election in violation of 2 U.S.C. § 441b.

The other firm involved in these matters was Harrison's firm, Scott, Harrison & McLeod. Since the firm paid the fees for Butcher & Associates' services, it could be argued that it made contributions in-kind to the political committee composed of the individuals involved.5/ The firm does not appear to be a professional corporation, and thus, contributions by the firm would not be prohibited under section 441b. However, the contributions would be subject to the limitation on contributions to political committees under 2 U.S.C. § 441a(a)(1) and the attribution rules for partnership contributions under 11 C.F.R. § 110.1(e). Newspaper articles attached to the complaint in MUR 2229 indicate that Harrison's firm paid the fees to Butcher & Associates in the normal course of its operations. There is nothing to indicate that his other partners in the firm intended to finance election-related activities by authorizing the payments. Indeed, upon learning of the possible political implications of Harrison's activities, the partners disavowed them and Harrison was asked to leave the firm. Although the firm's payment of the investigation fees raises several questions, the Office of General Counsel is not recommending that

5/ In his response, Rand states that his law firm, Trammell, Rand, Nathan & Lincoln, reimbursed Scott, Harrison & McLeod for its payments to Butcher & Associates. However, Rand states that the expense was charged to him personally.

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the Commission take action with respect to Scott, Harrison & McLeod at this time. If the investigation of these matters reveals evidence indicating that the firm violated the Act, this Office will make further recommendations to the Commission at a later time.

RECOMMENDATIONS

1. Merge MUR 2229 with MUR 2251.

2. Find no reason to believe that the North Dakota State Republican Party failed to report expenditures in violation of 2 U.S.C. § 434 or exceeded its limitation on expenditures made pursuant to 2 U.S.C. § 441a(d) and close the file with respect to this committee.

3. Find no reason to believe that People for Mark Andrews failed to report contributions in-kind in violation of 2 U.S.C. § 434 and close the file with respect to this committee.

4. Find reason to believe that the political committee composed of Bert B. Rand, Fritz H. Giesecke, Peter M. Lind and Marion Edwyn Harrison failed to register and report in violation of 2 U.S.C. §§ 433 and 434.

5. Find no reason to believe that W.T. Butcher & Associates, Ltd. made expenditures in connection with a Federal election in violation of 2 U.S.C. § 441b and close the file with respect to W.T. Butcher & Associates Ltd.

6. Find reason to believe that Schwabe, Williamson, Wyatt, Moore & Roberts made expenditures in connection with a Federal election in violation of 2 U.S.C. § 441b and approve the attached questions to Schwabe, Williamson, Wyatt, Moore & Roberts.

7. Approve and send the attached letters and General Counsel's Factual and Legal Analysis.

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8. Approve the attached subpoenas to appear for deposition to: Bert B. Rand, Fritz H. Giesecke, Peter M. Lind, and Marion Edwyn Harrison.

Charles N. Steele
General Counsel

2/9/87
Date

By: [signature]
Lawrence M. Noble
Deputy General Counsel

Attachments
1-6 Responses to the complaints
7. Letter to North Dakota State Republican Party
8. Letter to People for Mark Andrews
9. Letter to Bert B. Rand, Fritz H. Giesecke, and Peter M. Lind
10. Letter to Marion Edwyn Harrison
11. Letter to W.T. Butcher & Associates, Ltd.
12. Letter, Questions, General Counsel's Factual and Legal Analysis to Schwabe, Williamson, Wyatt, Moore & Roberts
13. Subpoenas to Bert B. Rand, Fritz H. Giesecke, Peter M. Lind and Marion Edwyn Harrison

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ JOSHUA MCFADDEN

DATE: FEBRUARY 12, 1987

SUBJECT: OBJECTION TO MURs 2299 & 2251 - GENERAL COUNSEL'S REPORT
SIGNED FEBRUARY 9, 1987

The above-captioned document was circulated to the Commission on Tuesday, February 10, 1987 at 4:00.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	
Commissioner Elliott	X
Commissioner Josefiak	X
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the Executive Session agenda for Wednesday, February 18, 1987.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / JOSHUA MCFADDEN JM

DATE: FEBRUARY 13, 1987

SUBJECT: OBJECTIONS TO MURs 2229 & 2251 - GENERAL COUNSEL'S REPORT
SIGNED FEBRUARY 9, 1987

The above-captioned document was circulated to the Commission on Tuesday, February 10, 1987 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	X
Commissioner Elliott	X
Commissioner Josefiak	X
Commissioner McDonald	X
Commissioner McGarry	
Commissioner Thomas	X

This matter will be placed on the Executive Session agenda for Wednesday, February 18, 1987.

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: FEBRUARY 13, 1987

SUBJECT: COMMENTS TO MURs 2229 & 2251 - GENERAL COUNSEL'S RTP. SIGNED FEB 9, 1987

Attached is a copy of Commissioner McGarry's vote sheet with comments regarding the above-captioned matter.

Attachment:
copy of vote sheet

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BALLOT

SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: TUESDAY, FEBRUARY 10, 1987 4:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIAK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY THURSDAY, FEBRUARY 12, 1987 4:00

SUBJECT: MURs 2229 & 2251 - GENERAL COUNSEL'S REPORT
SIGNED FEBRUARY 9, 1987

FEB 12 11 4:11

( ) I approve the recommendation

( ) I object to the recommendation

COMMENTS: Will vote in Exec. Sess.

DATE: 2/12/87 SIGNATURE John Warren McGarry (by MAS)

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.

PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.

PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.

8904073179 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ JOSHUA MCFADDEN

DATE: FEBRUARY 13, 1987

SUBJECT: COMMENTS TO MURs 2229 & 2251 - GENERAL COUNSEL'S RTP. SIGNED FEB 9, 1987

Attached is a copy of Commissioner Thomas's vote sheet with comments regarding the above-captioned matter.

Attachment:
copy of vote sheet

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BALLOT

SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: TUESDAY, FEBRUARY 10, 1987 4:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIAK, McDONALD, McGARRY, THOMAS.

RETURN TO COMMISSION SECRETARY BY THURSDAY, FEBRUARY 12, 1987 4:00

SUBJECT: MURs 2229 & 2251 - GENERAL COUNSEL'S REPORT
SIGNED FEBRUARY 9, 1987

87 FEB 12 P3:04

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( ) I approve the recommendation

(✓) I object to the recommendation

COMMENTS: For discussion purposes

DATE: 2/12/87 SIGNATURE Kim R. Thomas

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.

PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.

PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MURs 2251 and 2229
Bert B. Rand, et al.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of February 24, 1987, do hereby certify that the Commission took the following actions in the above-captioned matters:

1. Decided by a vote of 6-0 to

a) Find no reason to believe that the North Dakota State Republican Party failed to report expenditures in violation of 2 U.S.C. § 434 or exceeded its limitation on expenditures made pursuant to 2 U.S.C. § 441a(d) and close the file with respect to this committee.

b) Find no reason to believe that People for Mark Andrews failed to report contributions in-kind in violation of 2 U.S.C. § 434 and close the file with respect to this committee.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

(continued)

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2. Decided by a vote of 4-2 to find reason to believe that the political committee composed of Bert B. Rand, Fritz H. Giesecke, Peter M. Lind and Marion Edwyn Harrison failed to register and report in violation of 2 U.S.C. §§ 433 and 434.

Commissioners Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioners Aikens and Elliott dissented.

3. Decided by a vote of 6-0 to find no reason to believe that W.T. Butcher & Associates, Ltd. made expenditures in connection with a Federal election in violation of 2 U.S.C. § 441b and close the file with respect to W.T. Butcher & Associates, Ltd.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

4. Decided by a vote of 6-0 to take no action at this time on recommendation Number 6 in the General Counsel's report dated February 9, 1987.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

(continued)

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5. Decided by a vote of 6-0 to direct the Office of General Counsel to send appropriate letters and an appropriate factual and legal analysis pursuant to the Commission actions taken this date.

   Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

6. Decided by a vote of 6-0 to merge MUR 2229 with MUR 2251.

   Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively.

7. Decided by a vote of 6-0 to approve the subpoenas to appear for deposition to: Bert B. Rand, Fritz H. Giesecke, Peter M. Lind, and Marion Edwyn Harrison as recommended in the General Counsel's report dated February 9, 1987.

   Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

2-26-87
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

8204073180

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
W.T. Butcher
W.T. Butcher & Associates, Ltd.
1424 W. Century Avenue
Suite 106
Bismarck, ND 58501

RE: MUR 2251
W.T. Butcher & Associates, Ltd.

Dear Mr. Butcher:

On September 12, 1986 and October 6, 1986, the Commission notified you of two complaints alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission considered the complaints on February 24, 1987, and determined to merge MUR 2229 into MUR 2251. The Commission, on that date, determined that, on the basis of the information in the complaint and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by W.T. Butcher & Associates, Ltd. Accordingly, the Commission closed its file in this matter as it pertains to your company. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Robert C. Rust, Treasurer
People for Mark Andrews
P.O. Box 1773
Fargo, ND 58102

RE: MUR 2229
People for Mark Andrews

Dear Mr. Rust:

On September 12, 1986, the Commission notified People for Mark Andrews and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on February 24, 1987, determined that on the basis of the information in the complaint and information provided by you there is no reason to believe that a violation of any statute within its jurisdiction has been committed by People for Mark Andrews. Accordingly, the Commission closed its file in this matter as it pertains to the Committee and you, as treasurer. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Marion Edwyn Harrison, Esquire
1000 Potomac Street, N.W.
Third Floor
Washington, D.C. 20007

RE: MUR 2251
Marion Edwyn Harrison

Dear Mr. Harrison:

The Federal Election Commission notified you on September 12, 1986 and October 6, 1986, of two complaints alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act".) Copies of the complaints were forwarded to you at that time. We acknowledge receipt of your explanation of this matter which was dated October 23, 1986.

The Commission considered the complaints on February 24, 1987, and determined to merge MUR 2229 into MUR 2251. Consequently, all future materials in this matter will be numbered MUR 2251. Upon further review of the allegations contained in the complaint and information supplied by you, the Commission, on that date, determined that there is reason to believe that you have violated 2 U.S.C. §§ 433 and 434, provisions of the Act.

An investigation of this matter is being conducted and it has been determined that additional information from you is necessary. Consequently, the Federal Election Commission has issued the attached subpoena and order which requires you to appear and give sworn testimony on April 2, 1987 to assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30.00, plus mileage at the rate of 20.5 cents per mile. You will be given a check for the witness fee and mileage at the time of the deposition. Please confirm the

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scheduled appearance with Kim Bright-Coleman on our toll free line (800) 424-9530 within two days of your receipt of this notification.

If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Subpoena & Order
Procedures

8204073180 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
J. Jonathan Schraub, Esquire
Susanne Dye Rose, Esquire
Golden, Freda & Schraub, P.C.
1625 Massachusetts Avenue, N.W.
Suite 300
Washington, D.C. 20036

RE: MUR 2251
Bert B. Rand
Fritz H. Giesecke
Peter M. Lind

Dear Mr. Schraub and Ms. Rose:

The Federal Election Commission notified your clients on September 12, 1986 and October 6, 1986, of two complaints alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act".) Copies of the complaints were forwarded to your clients at that time. We acknowledge receipt of your clients' explanations of this matter which were dated October 6, 1986 and October 24, 1986.

The Commission considered the complaints on February 24, 1987, and determined to merge MUR 2299 into MUR 2251. Consequently, all future materials in this matter will be numbered MUR 2251. Upon further review of the allegations contained in the complaint and information supplied by you on behalf of your clients, the Commission, on that date, determined that there is reason to believe that Bert B. Rand, Fritz H. Giesecke, and Peter M. Lind violated 2 U.S.C. §§ 433 and 434, provisions of the Act.

An investigation of this matter is being conducted and it has been determined that additional information from your clients is necessary. Consequently, the Federal Election Commission has issued the attached subpoena and order which requires your clients to appear and give sworn testimony to assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

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Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30.00, plus mileage at the rate of 20.5 cents per mile. Your client will be given a check for the witness fee and mileage at the time of the deposition.

Please confirm the scheduled appearance with Kim Bright-Coleman on our toll free line (800) 424-9530 within two days of your receipt of this notification.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that your clients wish the matter to be made public. If you have any questions, please contact Kim Bright-Coleman, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Subpoena & Order
Procedures

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Layton Freborg, Chairman
North Dakota State Republican Party
P.O. Box 1917
Bismarck, ND 58502

RE: MUR 2229
North Dakota State
Republican Party

Dear Mr. Freborg:

On September 12, 1986, the Commission notified the North Dakota State Republican Party of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on February 24, 1987, determined that on the basis of the information in the complaint and information provided by you there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the North Dakota State Republican Party. Accordingly, the Commission closed its file in this matter as it pertains to the Party. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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GCC# 2913

GOLDEN, FREDA & SCHRAUB, P. C.

ATTORNEYS AT LAW
SUITE 300
1625 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 939-6000

MICHAEL D. GOLDEN
ROBERT J. FREDA*
J. JONATHAN SCHRAUB*
DAVID A. IRWIN
CAROLINE E. BLAKELY
SUSAN O'HEARN TEMKIN
SUSANNE DYE ROSE
WARREN S. OLIVERI, JR.*
SYLVIA LESSE*
THOMAS J. MOORMAN
MURIEL N. FELDMAN*
ANTHONY P. LEECH*
JANICE E. GARLITZ*
STEPHEN G. KRASKIN
RICHARD T. ROSSIER*

*ALSO ADMITTED IN MARYLAND
*ALSO ADMITTED IN VIRGINIA
*NOT ADMITTED IN DISTRICT OF COLUMBIA

VIRGINIA OFFICE
6849 OLD DOMINION DRIVE
SUITE 410
McLEAN, VIRGINIA 22101

MARYLAND OFFICE
BARRISTER'S PLACE, SUITE 7
751 ROCKVILLE PIKE
ROCKVILLE, MARYLAND 20852

TELECOPIER
(202) 387-6236

97 MAR 18 PM 2:

RECEIVED
FEDERAL ELECTION
GENERAL COUNSEL

March 18, 1987

HAND-DELIVERED

General Counsel
Federal Elections Commission
999 E. Street, N.W.
6th Floor
Washington, D.C. 20463

Attention: Kim Bright-Coleman, Esquire

Re: MUR 2251

Dear Ms. Coleman:

I appreciate you taking the time to speak with me yesterday with respect to the above-captioned matter. As we indicated, I believe it would be productive if a meeting could be arranged to further explore the Commission's concerns.

As I indicated to you, I feel that jumping immediately into oral depositions in a case such as this -- especially when one of those depositions involves a respondent who must come in from the state of Washington -- is unwarranted procedure. I have asked you to consider withdrawing the subpoenas issued to Messrs. Rand, Giesecke and Lind until after we have an opportunity to meet and respond thereafter to any written interrogatories that the Commission might propound.

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In the meantime, because of the time limitations imposed by statute and rules, I am required to file the attached Motion to Quash today.

I look forward to hearing from you soon.

Very truly yours,

J. Jonathan Schraub

cc: Bert Rand, Esquire
Fritz Giesecke, Esquire
Peter Lind, Esquire

JJS:gsm

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BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

IN RE:

Bert B. Rand,
Fritz H. Giesecke
and Peter M. Lind

MUR 2251

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RECEIVED
FEDERAL ELECTION COMMISSION

MOTION TO QUASH SUBPOENAS DUCES TECUM

Respondents, Bert B. Rand ("Rand"), Fritz H. Giesecke ("Giesecke") and Peter M. Lind ("Lind") pursuant to 11 C.F.R. § 111.15(a), hereby move to quash the subpoenas duces tecum served upon them, through counsel, on March 12, 1987.

The reason supporting this motion are set forth in the attached Memorandum of Points and Authorities.

J. Jonathan Schraub

Richard T. Rossier
GOLDEN, FREDA & SCHRAUB, P.C.
1625 Massachusetts Avenue, N.W.
Suite 300
Washington, D.C. 20036
(202) 939-6000

8204073180

BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

IN RE:	)	
	)	
Bert B. Rand,	)	
Fritz H. Giesecke	)	
and Peter M. Lind	)	MUR 2251
	)	
	)	

MEMORANDUM OF POINTS AND AUTHORITIES IN
SUPPORT OF MOTION TO QUASH SUBPOENAS DUCES TECUM

On March 12, 1987, respondents Rand, Giesecke and Lind received jointly, by certified mail, a single letter notifying them, through counsel, that "there is reason to believe that Bert B. Rand, Fritz H. Giesecke and Peter M. Lind violated 2 U.S.C. § 433 and 434 . . .". Presumably, this letter was intended to be the "reason to believe" notification required under 2 U.S.C. § 437g(a)(2) and 11 C.F.R. § 111.9(a). A valid "reason to believe" notice is a prerequisite to the Commission's use of the investigatory tools allowed in 11 C.F.R. § 111.11 through 111.15 including subpoenas and subpoenas duces tecum. See, 11 C.F.R. §111.10 and 2 U.S.C. § 437g(a)(2).

In this case, because the "reason to believe" notification (1) fails to comply with the statute and

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regulations applicable to such a notice and (2) denies respondents fundamental due process rights, it is defective and ineffective as a basis for the continued exercise of the Commission's investigatory authority. Accordingly, the subpoenas duces tecum serve pursuant to the "reason to believe" notice are invalid and must be quashed.

I. THE "REASON TO BELIEVE" NOTICE" FAILS TO MEET STATUTORY AND RULE REQUIREMENTS.

Prior to making any finding as to "reason to believe" the Commission is required to consider both the third party complaint and respondents' response. 11 C.F.R. § 111.6. After such consideration, the Commission may determine that there is "reason to believe" a violation has occurred but if it does so conclude, it is required to notify the respondents and according to both statute and regulation "such notice shall set forth the factual basis for such alleged violation." 2 U.S.C. § 437g(a)(2) (emphasis added). See also, 11 C.F.R. § 111.9(a). Here, the one letter addressed to all respondents does not set forth a single factual basis for the conclusion that there is a "reason to believe" any respondent has committed a violation. Based upon the notice from the

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Commission, it is impossible for any of these respondents to determine precisely what they are alleged to have done wrong.

It is important to note that under the applicable statutory scheme, it is not the third party complainants who have investigatory, discovery or prosecutorial rights but rather the Commission. See, In Re Federal Election Campaign Act Litigation, 474 F.Supp. 1051, 1053 (D.C. D.C. 1979). Therefore, it is not the third party complainants who stand now as accusor but the Commission and it is a fundamental right of each respondent, preserved explicitly in the Act, to know precisely what facts the Commission believes support a finding of a "reason to believe."

The requirement for a factual statement by the Commission at the "reason to believe" stage is especially warranted in cases such as this where (a) the third-party complaint is itself a compendium of factually unrelated assumptions and conclusions, and (b) much if not all of the undisputed conduct of the individual respondents is protected by the First Amendment and beyond the purview of the Act.

Finally, the statute and regulations do not allow the Commission to lump individual respondents together under a sweeping conclusory statement that there is "reason to believe." Rather, each respondent individually is entitled to

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a statement of the factual basis of the Commission's finding against him. See 2 U.S.C. § 437g(a)(2).[1/]

As the "reason to believe" notice now stands, there is no statement of factual basis and therefore the notice is defective. If the notice is defective, there is no proper foundation for the pending investigation and as such the subpoena duces tecum issued pursuant to that investigation must be quashed. See, 11 C.F.R. § 111.10

II. THE COMMISSION'S NOTICE OF "REASON TO BELIEVE" VIOLATES RESPONDENT'S DUE PROCESS RIGHTS UNDER THE 5TH AND 14TH AMENDMENTS.

It is fundamental that a party accused of violating the law has a right to know just what conduct of his is

---

1) Again, in this case, such a requirement serves an important purpose as, for example, it defies understanding what possible factual basis there could be for concluding that respondent Lind violated the Act when the third-party complaint and Lind's response taken together allege only that Lind, as an accomodation, obtained a copy of a single public record (i.e., a marriage license) from the State of Washington, and mailed that record to a colleague at the latter's request. If the Commission believes that this conduct alone implicates Mr. Lind in a violation of the Federal Election Laws, Mr. Lind has a right to know that these are the facts that the Commission is relying upon. If the Commission is relying on other facts to support its "reason to believe" finding Mr. Lind has a right to know that as well. Similarly, the Commission is required to inform respondents Rand and Giesecke, individually, of the facts which the Commission believes support the conclusion of "reason to believe" as to each of them.

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alleged to have been illegal. Chambers v. Mississippi 410 U.S. 284 (1973) (a person's due process right to reasonable notice of charges against him). The Commission has afforded these respondents no such information. Under the circumstances, it is impossible for any of these respondents to prepare a defense, prepare adequately for discovery or make an intelligent determination as to their conciliation rights. This is a basic violation of the due process rights of each of these respondents.

CONCLUSION

The subpoenas duces tecum served on each of the respondents must be quashed as they are premised on a single "reason to believe" notification which fails to set forth the factual basis of the conclusion as to each respondent and violates specific provisions of statute, regulation and the constitutional due process rights of the respondents.

J. Jonathan Schraub

Richard T. Rossier

GOLDEN, FREDA & SCHRAUB, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 939-6000

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the Motion To Quash Subpoenas Duces Tecum and Memorandum of Points and Authorities In Support of Motion To Quash Subpoenas Duces Tecum was hand-delivered this 18th day of March, 1987, to:

General Counsel
Federal Elections Commission
999 E. Street, N.W.
6th Floor
Washington, D.C. 20463

J. Jonathan Schraub

GOLDEN, FREDA & SCHRAUB, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 939-6000

Attorney for Respondents

8904073816

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter Of)
)
Bert B. Rand,)
Peter M. Lind,) MUR 2251
Fritz H. Giesecke, and)
Marion Edwyn Harrison)

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

On March 6, 1987, the Commission mailed subpoenas to appear for depositions and to produce documents and materials to Marion Edwyn Harrison and counsel representing Bert B. Rand, Peter M. Lind, and Fritz H. Giesecke. On March 18, 1987, the Commission received a motion to quash the subpoenas from counsel for Rand, Giesecke and Lind. Attachment 1. Although he did not file a motion to quash, Mr. Harrison did not appear for his deposition scheduled for April 2, 1987 at 1:00 p.m. in the Office of General Counsel.

The subpoenas seek to ascertain facts pertinent to the Commission's investigation of a violation of 2 U.S.C. §§ 433 and 434 with respect to expenditures made by the Respondents for an investigation of Representative Byron L. Dorgan, his wife, Kimberly Sue Olson, and possibly Senator Kent Conrad, as well as the mailing of information obtained as a result of this investigation to the press. The subpoenas were issued subsequent to the Commission's finding that there is reason to believe that the political committee composed of Marion Edwyn Harrison, Bert B. Rand, Fritz H. Giesecke, and Peter M. Lind violated 2 U.S.C. §§ 433 and 434, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") by failing to

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register and report with the Commission. The Commission's determination was based on information contained in a complaint filed by Representative Byron L. Dorgan and Senator Kent Conrad on August 29, 1986, a second complaint filed on September 29, 1986 by former Senator Mark Andrews and responses to the allegations made in the complaints submitted on behalf of the Respondents.

For the reasons set forth in this report, the Office of General Counsel recommends that the motion filed on behalf of Respondents Rand, Lind, and Giesecke to quash the supboenas be denied. However, this Office recommends that the Commission send another letter notifying these Respondents of its reason to believe determination with additional information to assist them in preparing for the depositions. This Office also recommends that the Commission authorize the Office of General Counsel to file suit for subpoena enforcement against Marion Edwyn Harrison in the United States District Court pursuant to 2 U.S.C. § 437d(b).

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II. ANALYSIS

This matter involves the central question of whether the activities at issue were sufficiently election-related so that expenditures by the Respondents caused them to incur registration and reporting obligations as a political committee under the Act. The Act defines the term "expenditures" broadly to include "any purchase, payment, distribution . . . or gift of money or

anything of value, made by any person for the purpose of influencing any election for federal office." 2 U.S.C. § 431(9)(A)(i). A group of persons that makes expenditures in excess of $1,000 becomes a political committee under 2 U.S.C. § 431(4) and is subject to registration and reporting requirements under 2 U.S.C. §§ 433 and 434. Neither the Act nor Commission regulations expressly address the question of when activities should be viewed as for the purpose of influencing a federal election. The Commission's investigation seeks to determine whether Respondents' conduct is within the reach of the statute.

A. Opposition to Motion to Quash Subpoenas

Counsel representing Bert B. Rand, Peter M. Lind, and Fritz H. Giesecke filed a motion to quash the Commission's subpoenas on March 18, 1987. The motion to quash the subpoenas is primarily based upon counsel's assertion that the Commission failed to provide the Respondents adequate notification of the factual basis for its "reason to believe" finding and, that, therefore, there is no proper basis for pursuing the pending investigation or enforcing the subpoenas. It is asserted that, pursuant to the requirements of 2 U.S.C. § 437g(a)(2) and 11 C.F.R. § 111.9(a), the Commission is required to notify each Respondent of the factual basis for its finding that there is "reason to believe" that he has violated the Act. Respondents assert that knowledge of the allegations in the complaint do not satisfy this requirement. Furthermore, counsel for Respondents contends that each

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Respondent was entitled to a separate letter notifying him of the factual basis for the Commission's finding against him. It is argued that without such notification "it is impossible for any of these Respondents to determine precisely what they are alleged to have done wrong." Attachment 1 at page 5. Finally, Respondents assert that the failure to state the factual basis for the reason to believe finding constitutes a violation of their due process rights under the fifth and fourteenth amendments as it is "impossible to prepare a defense, prepare adequately for discovery or make any intelligent determination as to their conciliation rights." Attachment 1 at page 5.

In their motion to quash the Commission's subpoenas, the Respondents assert that the notification of the reason to believe determination is defective. Counsel seems to imply that the Commission is required by the statute and regulations to make formal factual findings upon rendering a reason to believe determination. However, counsel misapprehends the statutory requirements. The Commission does not determine what facts exist at the initial stage of an enforcement process. Rather, it only finds reason to believe that a violation has occurred and initiates an investigation to determine what facts are involved in the particular matter. The Commission is thus not required by the statute to issue a statement of factual findings at the initial reason to believe stage of its investigation.

Because the Commission does not determine that particular facts exist, it is free to develop the factual record during the course of its investigation. Allegations of fact are required as

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a basis for a finding of reason to believe and the opening of an investigation, but those facts do not define the parameters of the investigation. They serve as a starting point, not as the sole focus. Therefore, it is not necessary to set forth separate factual allegations the Commission considered in making its determination with respect to each Respondent in a reason to believe notification. This is particularly so in the instant matter when it is the joint efforts by the Respondents that brings the activities at issue conceivably within the reach of the statute.

In any event, the Respondents have knowledge of the facts the Commission considered in making its decision. Copies of the complaints filed in this matter were sent to the Respondents on September 12, 1986 and October 6, 1986. Responses analyzing the factual and legal allegations raised in the complaints were submitted on behalf of the Respondents on October 6, 1986 (Lind) and October 24, 1986 (Rand and Giesecke.) Office of General Counsel staff has also met with counsel representing the Respondents to explain the Commission's concerns in this matter and the areas to be covered in the depositions. However, counsel appears to believe there are other facts that the Commission considered in making its determination.

Finally, in the cover letter to the motion to quash, counsel for Respondents has expressed concerns regarding the use of depositions to obtain information from the Respondents. Counsel does not object to providing further information concerning the

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activities at issue, but he would prefer that interrogatories be used rather than depositions. Counsel also notes that one respondent would be required to travel from Washington State for the deposition. However, it is the Commission's option to decide to pursue an investigation through deposition of the Respondents. Deposition may be the best vehicle for obtaining information where, as in the instant matter, there is little documentary evidence and the credibility of the witnesses is especially important. Use of deposition is particularly useful to observe the demeanor of the deposed individual to determine his or her credibility. Thus, it is reasonable for the Commission to use depositions rather than interrogatories during the course of this investigation. Furthermore, representatives from the Commission would travel to Washington State to depose respondent Lind unless he has a specific reason to come to Washington, D.C., for the deposition.

To assist counsel and the Respondents in preparing for the depositions, however, this Office recommends that the Commission send a letter providing additional information regarding the reason to believe finding. See Attachment 3. The attached draft letter would clarify that the Commission found reason to believe that the Respondents violated 2 U.S.C. §§ 433 and 434 by failing to meet the registration and reporting obligations incurred through the conduct at issue in this matter. The letter would also state that the purpose of the subpoenas is to ascertain facts with respect to expenditures made by the respondents for an investigation of Representative Byron L. Dorgan, his wife

8204073182 2

Kimberly Sue Olson, and possibly Senator Kent Conrad, and mailing information obtained as a result of this investigation to the press.

In view of the foregoing, this Office recommends that the Commission deny the motion to quash the Commission's subpoenas issued to Bert B. Rand, Fritz H. Giesecke, and Peter M. Lind.

B. Authorization to File Suit

On March 6, 1987, a subpoena to appear for deposition was mailed to Marion Edwyn Harrison at his office at 1000 Potomac Street, N.W., Third Floor, Washington, D.C. 20007. The subpoena was sent by certified mail, with a return receipt requested.

On March 16, 1987 at 11:34 a.m., this Office received a signed certified mail receipt for the subpoena sent to Mr. Harrison. Attachment 4. No motion to quash the subpoena or other communication was received fro.. Mr. Harrison.

On March 31, 1987, this Office contacted Mr. Harrison to ask whether he intended to apear for the scheduled deposition. Mr. Harrison stated that he had received the subpoena, but did not intend to appear for the deposition.

Mr. Harrison did not appear for the deposition at the appointed time and place on April 2, 1987. Nor was there an appearance by counsel or by anyone on Mr. Harrison's behalf.

In light of Mr. Harrison's failure to comply with a subpoena duly authorized by the Commission, this Office recommends that the Commission authorize civil suit in the United States District Court to enforce the Commission's order.

8904073182 3

Recommendations

1. Deny the motion to quash the subpoenas.

2. Approve the attached letter to counsel for respondents Bert B. Rand, Fritz H. Giesecke, and Peter M. Lind notifying them of the Commission's denial of the motion to quash the subpoenas.

3. Approve the attached letter to counsel for respondents Bert B. Rand, Fritz H. Giesecke, and Peter M. Lind notifying them of the Commission's reason to believe determination.

4. Authorize the Office of General Counsel to file a civil action in the United States District Court against Marion Edwyn Harrison to enforce the Commission's subpoena of March 5, 1987.

5. Approve the attached letter to Marion Edwyn Harrison.

5/1/87
Date

Lawrence M. Noble
Acting General Counsel

Attachments

1. Motion to Quash Subpoenas
2. Letter to counsel for Respondents Bert B. Rand, Peter M. Lind, and Fritz H. Giesecke, notifying them of denial of motion to quash
3. Letter to counsel for Respondents Bert B. Rand, Peter M. Lind, and Fritz H. Giesecke notifying them of the reason to believe determination
4. Copy of certified mail receipt
5. Letter to Marion Edwyn Harrison

8904073182 4

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JERYL L. WARREN JW

DATE: MAY 7, 1987

SUBJECT: OBJECTIONS TO MUR 2251 - GENERAL COUNSEL'S REPORT SIGNED MAY 1, 1987

The above-captioned document was circulated to the Commission on May 4, 1987 at 4:00.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	
Commissioner Elliott	X
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	X

This matter will be placed on the Executive Session agenda for May 12, 1987.

Please notify us who will represent your Division before the Commission on this matter.

8904073182 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Bert B. Rand	)	MUR 2251
Peter M. Lind	)	
Fritz H. Giesecke	)	
Marion Edwyn Harrison	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of May 12, 1987, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2251:

1. Deny the motion to quash the subpoenas.

2. Direct the Office of General Counsel to combine the letters noted in recommendations 2 and 3 of the General Counsel's report dated May 1, 1987, and insert additional language that representatives of the Commission would travel to Washington State to depose respondent Lind unless he has a specific reason to come to Washington, D.C.

3. Authorize the Office of General Counsel to file a civil action in the United States District Court against Marion Edwyn Harrison to enforce the Commission's subpoena of March 5, 1987.

(continued)

8904073182 6

4. Approve the letter to Marion Edwyn Harrison as recommended in the General Counsel's report dated May 1, 1987.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

5-12-87
Date

Marjorie W. Emmons
Secretary of the Commission

8904073182 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion Edwyn Harrison, Esquire
1000 Potomac Street, N.W.
Third Floor
Washington, D.C. 20007

RE: MUR 2251

Dear Mr. Harrison:

Pursuant to a subpoena for deposition and production of documents issued by the Commission on March 5, 1987, you were ordered to appear for deposition by representatives of the Commission on April 2, 1987 at 1:00 p.m. at the Federal Election Commission, Office of General Counsel, 999 E Street, N.W., Sixth Floor, Washington, D.C. Delivery of this subpoena to you on March 16, 1987 has been confirmed by a signed receipt for certified letter #943928. Representatives of the Commission were present at the appointed time and place to take your deposition. You did not appear as ordered. The Commission's representatives made a statement on the record taking note of this fact.

Because of your failure to comply with the Commission's subpoena, on May 12, 1987, the Commission authorized the institution of a civil action to enforce the subpoena in the Federal District Court for the District of Columbia. If this action is filed, you will be named as a defendant.

If you wish to settle this matter prior to the filing of a suit, please contact Ivan Rivera, Assistant General Counsel for Litigation, at (202) 376-8200 within ten (10) days of your receipt of this notice.

Sincerely,

Lawrence M. Noble
Acting General Counsel

8904073828

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Jonathan Schraub, Esquire
Richard T. Rossier, Esquire
Golden, Freda & Schraub, P.C.
1625 Massachusetts Avenue, N.W.
Suite 300
Washington, DC 20036

Re: MUR 2251
Bert. B. Rand
Fritz H. Giesecke
Peter M. Lind

Dear Mr. Schraub and Mr. Rossier:

On February 24, 1987, the Federal Election Commission determined that there is reason to believe that your clients, Bert. B. Rand, Fritz H. Giesecke, and Peter M. Lind violated provisions of the Federal Election Campaign Act of 1971, 2 U.S.C. § 431 et seq. The Commission determined on that date that there is reason to believe that a political committee composed, in part, of Mr. Rand, Mr. Giesecke, and Mr. Lind violated 2 U.S.C. §§ 433 and 434 by failing to register and report to the Commission. Specifically, it appears that your clients made expenditures for an investigation of Representative Byron L. Dorgan, his wife Kimberly Sue Olson, and possibly Senator Kent Conrad and for mailing information obtained as a result of this investigation to the press.

On May 12, 1987, the Commission voted to deny the motion filed by you on behalf of Bert B. Rand, Fritz H. Giesecke, and Peter M. Lind to quash the subpoenas to appear for deposition and to produce documents issued on March 5, 1987. Therefore, the Commission is continuing its investigation of this matter to ascertain the roles of each of your clients in the investigation and determine whether the investigation and mailings were undertaken for the purpose of influencing a Federal election.

Office of General Counsel staff will contact you shortly to make arrangements to reschedule the depositions of Mr. Rand, Mr. Giesecke, and Mr. Lind. Commission staff will travel to Washington State to depose Mr. Lind unless you find it more

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convenient for him to travel to Washington, D.C. Your clients are also requested to produce for inspection and copying the documents previously described in the subpoenas at the time of their depositions.

If you have any questions concerning this matter, please contact Kim L. Bright-Coleman at (202) 376-5690.

Sincerely,

Lawrence M. Noble
Acting General Counsel

8904073183O

FEC
GCC#3641
87 JUN 22 A9:26

LAW OFFICES

MARION EDWYN HARRISON

1000 POTOMAC STREET, N.W.
THIRD FLOOR
WASHINGTON, D.C. 20007
(202) 965-6300
CABLE MEHLAW
TELEX 89492
FACSIMILE (202) 337-4632

JOHN S. BAKER, JR.
MARION EDWYN HARRISON
DANIEL M. REDMOND

FALKENSTRASSE 14
8008 ZURICH, SWITZERLAND
TELEX (845) 815878 PVP CH

June 18, 1987

87 JUN 22 A10:21
RECEIVED
FEC MAIL CENTER

Lawrence M. Noble, Esquire
Acting General Counsel
Federal Election Commission
999 E Street, N.W.
Sixth Floor
Washington, D.C. 20463

Re: MUR 2251

Dear Mr. Noble:

Thank you for your letter of May 19, 1987, which apparently was supposed to have been sent certified but receipt of which in any event we acknowledge.

There has been a misunderstanding. Since we have not heard anything for the last month, we address this letter to you.

The morning of April 1, 1987 Mrs. Kim L. Bright-Coleman telephoned me. She enquired if I would attend the deposition on April 2 and I told her I would not. She enquired why. I told her that a motion on behalf of other Respondents was pending, raising the identical issues applicable to my appearance and that, therefore, I believed it appropriate to await determination of the issues so raised.

The conversation was very brief but would have been longer had Mrs. Bright-Coleman not said "thank you" and hung up.

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LAW OFFICES
MARION EDWYN HARRISON

There is now no pending subpoena.

In view of the fact no "reason to believe" notification complying with 2 USC §437g(a)(2) and 11 CFR §111.9(a) has been issued and no notice of taking or subpoena is pending, I can take no action.

Sincerely,

MARION EDWYN HARRISON

/dr

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GCC#4453

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FEDERAL ELECTION COMMISSION
MAIL ROOM

87 SEP 28 AM 11:30

GOLDEN, FREDA & SCHRAUB, P. C.

ATTORNEYS AT LAW
SUITE 300
1625 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 939-6000

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MCLEAN, VIRGINIA 22101

MARYLAND OFFICE
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751 ROCKVILLE PIKE
ROCKVILLE, MARYLAND 20852

TELECOPIER
(202) 387-6236

MICHAEL D. GOLDEN
ROBERT J. FREDA*
J. JONATHAN SCHRAUB*
DAVID A. IRWIN
CAROLINE E. BLAKELY
SUSAN O'HEARN TEMKIN
WARREN S. OLIVERI, JR.*
SYLVIA LESSE*
THOMAS J. MOORMAN
MURIEL N. FELDMAN*
JANICE E. GARLITZ*
STEPHEN G. KRASKIN
RICHARD T. ROSSIER**
SUSAN A. COBB
HEDY L. NELSON**
PHILIP H. BANE**
SANDRA C. RUFFIN**

*ALSO ADMITTED IN MARYLAND
*ALSO ADMITTED IN VIRGINIA
*NOT ADMITTED IN DISTRICT OF COLUMBIA

September 16, 1987

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Patricia Reilly, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

87 SEP 28 PM 3:43

Re: MUR 2251

Dear Ms. Reilly:

This law firm represents respondents Bert B. Rand, Fritz H. Giesecke and Peter M. Lind in connection with the above-referenced matter.

This letter will confirm certain matters that we have discussed recently over the telephone. The FEC has issued purportedly valid subpoenas for the depositions of these respondents. I say "purportedly" because as you are aware, we have challenged and continue to challenge the validity of those subpoenas inasmuch as the respondents have never received a statutorily adequate "reason to believe" notice; and accordingly, the Commission has no statutory authority to proceed with the depositions.

Further, as you already are aware, the facts which have been presented to the Commission do not indicate that the conduct involved by these respondents meets any of the threshold statutory requirements for Commission jurisdiction.

Based on the unwillingness of the Commission to provide a statutorily adequate "reason to believe" notice, the nature of the conduct by these respondents, and finally the decision of the Commission to dismiss, without any investigation, other respondents in this case whose answers to the original Complaint provided no explanation whatever of their involvement lead inexorably to the conclusion that this investigation is not statutorily based, but politically motivated.

As a result of all the foregoing, my clients are unwilling to submit any information to the Commission or appear for deposition and answer questions with respect to any documents in their possession without first obtaining a full release and indemnification from the Commission with respect to any intentional or inadvertent publication, dissemination or "leak" of documents in the hands of these respondents.

I refer specifically to that document commonly referred to as the "Butcher Investigation." This investigation, as we stated to the Commission in our answer, was never commissioned for purposes of release or dissemination, did not relate to any issues which were of concern to these respondents, contained information which, although publicly available and lawfully obtained, could in fact be embarrassing at best and damaging at worst to certain individuals; and as a result of which, these respondents have carefully insured that the information in the "Butcher Investigation" has never been disseminated or in any other way made public.

Although we do not in any way state or insinuate that you personally intend to disseminate this information or would condone any such action, given the political nature of this investigation, we have no reason to have any similar confidence with respect to the Commission as a whole. Therefore, the assurances requested are reasonable and necessary.

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We are unwilling to go forward without first discussing these requests, and should we agree upon an acceptable procedure, we would agree to go forward without waiving any of our objections as to the deficient, ultra vires nature of the Commission's actions in this matter.

Very truly yours,

J. Jonathan Schraub

JJS:etw
cc: Bert B. Rand, Esquire
Fritz H. Giesecke, Esquire
Peter M. Lind, Esquire

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18 September 1987

Federal Election Commission
ATTN: R. Lee Anderson, Esquire
Office of General Counsel
999 E Street, Northwest
Washington, D.C., 20463

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OFFICE OF GENERAL COUNSEL
87 SEP 18 PM 12:41

Re: Deposition of MARION EDWYN HARRISON,
Washington DC, 6 August 1987.
MUR 2251.

Dear Mr. Anderson:

Enclosed is the Original copy of the above-entitled deposition, which has been read and signed by the Deponent. One correction is noted in this transcript:

Page 32, line 5: Change to read "I don't believe I did."

Sincerely,

Edwin G. Crowley
Deposition Supervisor

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ORIGINAL

TRANSCRIPT OF PROCEEDINGS

BEFORE THE FEDERAL ELECTION COMMISSION

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In Re: :
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MUR 2251 :
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- - - - - - - - - - - - - - -x

DEPOSITION OF MARION EDWYN HARRISON

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Washington, D. C.

Thursday, August 6, 1987

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BEFORE THE FEDERAL ELECTION COMMISSION

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MUR 2251 :
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DEPOSITION OF MARION EDWYN HARRISON

Washington, D. C.

Thursday, August 6, 1987

Deposition of MARION EDWYN HARRISON, called for examination pursuant to notice, at the Federal Election Commission, Office of General Counsel, 999 E Street, N.W., Sixth Floor, at 10:16 a.m. before KAREN N. ILSEMANN, a Notary Public within and for the District of Columbia, when were present on behalf of the respective parties:

R. LEE ANDERSON, ESQ.
PATTY REILLY, ESQ.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C.
On behalf of the Federal
Election Commission.

DANIEL M. REDMOND, ESQ.
1000 Potomac Street, N.W.
Washington, D. C. 20007
On behalf of the Witness.

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CONTENTS

WITNESS	EXAMINATION
Marion Edwyn Harrison by Mr. Anderson	3

EXHIBITS

DEPOSITION EXHIBITS	IDENTIFIED
Exhibit 1	7
Exhibit 2	42

8904070183 9

PROCEEDINGS

Whereupon,

MARION EDWYN HARRISON

was called as a witness and, having first been duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. ANDERSON:

Q Would you state your name for the record, please?

A Marion Edwyn Harrison.

Q And are you represented by counsel today?

A Yes, sir; I am.

Q And is counsel present?

MR. REDOMOND: Yes.

My name is Daniel M. Redmond.

MR. ANDERSON: Have you used any documents to prepare for today's deposition?

MR. REDOMOND: No.

BY MR. ANDERSON:

Q In preparation for today's deposition, have you discussed this deposition with any persons other than Mr. Redmond?

A No one else; no.

MR. ANDERSON: As a preliminary matter, I would note that this is the Federal Election Commission deposition pursuant to subpoena in investigation of MUR 2155.

BY MR. ANDERSON:

Q Would you please state your address?

A 1000 Potomac Street, N.W., Washington, D.C. 20007.

Q And your occupation, Mr. Harrison?

A Lawyer.

Q Mr. Harrison, you've been involved in national politics for some time, haven't you?

A How do you define "involved"?

Q Well, would you call your self a political activist?

A No.

Q Have you participated in federal elections over the years?

A No.

Q Have you provided legal servicesm, consultation, so on, to federal campaigns?

A Yes.

Q In this capacity of providing, let's say legal advice, did you provide any such legal advice during the

1986 election campaign?

A To whom?

Q To any federal candidates.

A Pertaining to the 1986 election?

Q Yes. Federal.

A No.

Q Then you did actively support any candidate in 1986?

A What do you mean by "actively support"?

Q I mean in the sense that I asked earlier, did you provide legal services or consultation services to any political campaign in 1986?

A No, not for the 1986 campaign.

Q Have you ever provided legal services -- let me ask you this first.

Are you making a distinction between legal services and consultation? Would you make a distinction? Would it include both?

A I'm not sure your question is as precise as it might be, but my answer is so broad it doesn't matter.

I provided no professional services, consultation or otherwise, to any federal candidate in connection with

the 1986 elections.

Q Have you ever supported a federal candidate in North Dakota?

A No.

Q Do you know Senator Andrews from North Dakota?

A I have met him; yes.

Q Do you know him personally?

A Yes, I would say I do. I know him well enough that he knows who I am and I know who he is.

Q Have you had occasion to work with him professionally?

A No.

Q Did you participate in the House election in 1986 for North Dakota that Representative Dorgan was seeking election?

A No. As I said a moment ago, I have never participated in any election involving North Dakota, regardless of how you define "participation."

MR. ANDERSON: I have here a document which purports to be your answer to Federal Election Commission's Notice of Complaint in MUR 2229, which was subsequently merged into or consolidated into MUR 2155. It is seven

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pages in length and includes two pages of attachments.

I ask the court reporter to mark this as Government Exhibit 1.

(Government Exhibit No. 1 identified.)

BY MR. ANDERSON:

Q Mr. Harrison, would you look over Exhibit 1 and tell me if you recognize that?

A It appears to be a photocopy with various markings added of the answer I filed on October 23, 1986.

Q On page 6, is that your signature at the bottom?

A Yes, sir.

Q Let me direct your attention to page 2 of the document, and under the heading of Facts, there is a discussion of a telephone conversation that you had with a Mr. Bert B. Rand, in which the statement is that he requested that you conduct a background investigation of Representative Byron Dorgan and Ms. Kimberly Sue Olsen.

In reference to Mr. Rand, can you recall how long you've known Mr. Rand?

A Many years.

Q Have you a professional relationship with

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Mr. Rand?

A In the sense that he has been the source of some business referrals over the years, yes.

Q Has he been a client of yours?

A He personally, no.

Q But he has perhaps represented interests that have become clients?

A That's correct.

Q The conversation that is referenced in this paragraph states -- I believe it talks of a date, March of '86 in terms of the time frame.

Previous to this phone conversation mentioned in this paragraph, did you have any discussion with Mr. Rand concerning a background investigation of Mr. Dorgan?

A No, not prior to.

Q Did you have any discussion with anyone concerning a possible investigation of Congressman Dorgan before this phone conversation?

A No.

Q So, then, this was the first that the investigation came to your attention --

A That's correct.

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Q -- or the possibility of one?

A The possibility came to my attention.

Q Exactly what did Mr. Rand request in this phone conversation with you in March?

A I'm not sure I can tell you exactly, but I can tell you rather closely.

He asked if I knew anybody in North Dakota who could look into the background of Representative Byron Dorgan and of the lady that he thought was now his wife.

Q What did you understand him to mean by "look into the background"?

A Background investigation.

Q And what did you understand that to mean at the time?

A To see if you can find somebody who is licensed and competent as an investigator, and you ask that entity or individual to run a background investigation.

Q Did Mr. Rand specify what kind of information he was interested in obtaining?

A No.

Q Did Mr. Rand state whether or not he was representing a client or another person?

A No.

We had a discussion of the timber industry in the Pacific Northwest and of the alleged fact that Ms. Kimberly Sue Olsen or Mrs. Byron Dorgan, however you want to phrase the name, was a lobbyist for the Canadian timber interests, adverse to the Pacific Northwest American timber interests.

Q But he did not specify a particular -- did he make a connection -- let me rephrase the question.

Did Mr. Rand make a connection, in your mind, between the timber industry and the request for a background investigation?

A Yes, in the sense that the timber industry was what appeared to be interesting him.

Q Did he specify a particular company?

A No.

Q Did he specify a particular individual that he would have named as client?

A No.

Q Did he subsequently?

A No.

Q Did you ever learn if there was a particular client behind the request?

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A No.

Q You also state in this Facts section -- I believe it's on the next page -- on the top it says that Mr. Rand had never been in politics.

Could you elaborate on that statement?

A To my knowledge, he never has been in politics and I don't believe I have ever heard him discuss any interest in politics.

Q So you meant than he just had never run for office. You meant that he had not discussed with you political interests per se?

A That's correct.

Q Did Mr. Rand discuss with you any written documents or materials that he would make available to you to assist you?

A In the first conversation, no.

Q When did he bring to your attention documents or written materials?

A Very soon thereafter, he said that Mr. Fritz H. Giesecke, who is referred to further down on page 3, had some documents pertaining to one or both of the Dorgans, and that either he or they would bring them over to

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him.

Q Again, going back to that conversation, the initial conversation concerning this matter, did Mr. Rand provide you with any instructions or guidelines as to the background investigation?

A No. It was a short conversation. He alluded to the fact that I know a substantial number of lawyers around the country. I joked that there weren't very many in North Dakota, and I wasn't even sure that there was an investigator in North Dakota.

And he said, well, if anybody can find one, maybe you can -- or some such phraseology.

Q Did Mr. Rand allude to materials in a subsequent conversation? Your answer to that was yes?

A Yes, sir; he did.

Q Then how long would you say after that time that you received --

A Just a matter of days.

Q Then what did you do?

A By that time I had contacted Mr. W. T. Butcher and I sent the documents that Mr. Giesecke gave me to Mr. W. T. Butcher.

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Q Did you, when you contacted Mr. Butcher, did you do so by phone, your initial contact?

A Yes. I telephoned him. He, so far as I know, had never heard of me.

Q How did you come upon his name?

A Just by a couple of telephone calls trying to find out if there was such a thing as a detective agency in North Dakota.

It turns out there is.

Q Did you discuss with Mr. Rand, with respect to an investigator that you might obtain for him, how the services of this investigator would be compensated for?

A I don't believe I specifically discussed it, but I had no doubt that whatever I paid to whomever I paid would be reimbursed if the firm billed for the reimbursement.

Q So at this time, you perceived this to a very usual activity of obtaining a service for a person that you had worked with in the past, and that the firm would, if necessary, provide initial payment to the investigator, and that at some point down the road there would be a reimbursement?

A I think that's an accurate staement of my

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impression; yes.

Q But you did not discuss fee arrangement at the time you talked to Mr. Rand initially?

A No. I only discussed it with Mr. Butcher.

Q Do you recall the substance of that discussion?

A Yes.

Mr. Butcher did not mention the subject of fee. And I said to him, he didn't know me and I didn't know him and he didn't know my client; didn't he want some retainer? I would.

He said, well, if you want to, send one. And I said, well, I think we should send a small one.

And then I took the opportunity to mention to him that I wasn't sure what kind of expenditure the client had in mind, but I suspect the client did not have in mind a very large expenditure and therefore I would send him $500, and if he started running into more substantial sums, he should stop and let me know.

Q And that was satisfactory to Mr. Butcher?

A Yes, it was.

To say the least, he did not seem grasping about the matter of fee. And shortly thereafter, my partner

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John M. Himmelberg, and I signed the check which is attached to this exhibit in the sum of $500.

Q That's on page --

A Eight, as you've marked it.

Q -- 8, as marked in Exhibit 1.

A At the bottom of the two checks on my copy.

Q What instructions did you give Mr. Butcher when you discussed this investigation with him?

A None. Simply that we were interested in a background investigation and that I was sending him some public documents which had been provided to me, which may or may not be useful.

And I sent him everything I had. If I had had more, I would have sent more; if I had had less, I would have sent less.

Q Then you didn't describe what you meant by a background investigation to Mr. Butcher?

A I did not. Nor did he seem to have any doubt or any questions of what he was supposed to look into.

Q Would you say that a background investigation is more or less a term of art in a situation such as this with a private investigator?

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A I would say that's for the private investigator to say. To me, it means look into the background of an individual.

Q Does it necessarily mean a personal -- into the individual's personal background?

A No, not necessarily.

Q And you didn't specify whether to look into the personal background or professional background?

A No, I did not specify.

(Discussion off the record.)

MR. ANDERSON: Back on the record.

BY MR. ANDERSON:

Q Did Mr. Butcher inquire what the investigation would be used for? What any information he obtained would be used for?

A In the negative sense of the word, yes; he inquired if the client were political and he either stated or implied that he did not do political investigations.

And I said no, the client is not political.

Q Your response was no, the client was not political?

A That's right. That was my response.

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Q And that was based on your understanding that the request for Mr. Rand was based on the representation of some unspecified timber interest?

A That's correct.

Q Did you give any other reassurances to Mr. Butcher at that time concerning his question and whether or not it concerned a political matter?

A Other reassurances? No, I think not. I don't think he asked for further reassurances.

Q Was there any doubt in your mind at that time that you spoke to Mr. Butcher that there might be a political implication to this investigation?

A I don't know how you are using the word "implication." I had no doubt then and I have no doubt now that the investigation was not political.

Q You spoke of materials that Mr. Rand sent you that you later passed on to Mr. Butcher.

Did Mr. Rand tell you how those materials were obtained?

A No. Mr. Rand did not.

Q Do you recall what those materials were specifically?

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A I recall in general terms. They were some copies of one or more marriage licenses, one or more divorce decrees, one or more filings under the Foreign Agents Registration Act, and one or more filings under the registration of lobbying act.

Q And these you received from Mr. Giesecke?

A From Mr. Giesecke.

Q Did he tell you how he obtained these documents?

A As to the filings under the Foreign Agents Registration Act and the filings under the Registration of Lobbying Act, yes.

Q What was his statement to you concerning them?

A He went to the appropriate public information office and checked them out and had them photocopied in the usual course.

Q And he stated that he had done that himself?

A He stated that he had done that. Mind you, I wasn't cross-examining him as to how or when he did it. But there is no reason to cross-examine. It's a very usual course.

Q Did you have any discussion with Mr. Giesecke about how these materials might be used when you spoke with

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him?

A No; except I said whatever you have, I will send off to North Dakota.

Q Did you discuss the timber industry concern with Mr. Giesecke?

A If I did not then, I did in close proximity and probably in that very conversation. Mr. Giesecke, according to the impression I obtained, also has interests in the timber industry.

Q When you saw the divorce decrees and marriage license, did that raise any question in your mind as to whether or not there might be political overtones to the investigation?

A How are you using the phrase "political overtones"?

Q My question is, if the question of a conflict of interest was arising in the timber industry with respect to the activities of Kimberly Olsen, how would the divorce decree of a previous marriage possibly pertain to the present activities, the concerns that you specified of the timber industry?

MR. REDMOND: I don't understand that question

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and I think you should rephrase it.

MR. ANDERSON: I'll try.

BY MR. ANDERSON:

Q My question is, in referring to the divorce decree from the previous -- I'm not sure if you had both previous marriage/divorce decrees or one -- but at least there was one; is that correct?

A At least one. I think there were two, but don't hold me to it.

Q In receiving those, was there any question raised in your mind as to what use the divorce decree from the previous marriage would have in showing a conflict of interest that pertained to the present marriage of Mr. Dorgan?

A Well, I wasn't looking into his marriages. What I was doing was commissioning a background investigation, and it seemed to me prudent to send the investigator anything that the client gave me.

Q At this point, then, you did not have any -- are you saying that at this point you did not form any impression as to what the materials might be used for?

A That's correct.

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Q When did you then next hear from Mr. Butcher?

A There was minimal contact, but I can't tell you for certain. I have a recollection that I didn't hear for quite a while, and that either I telephoned him or he telephoned me to report, so to speak, whether he was still alive and well.

I don't mean that as a criticism of him, because he had inquired if there were a time bind or any urgency to this because he was quite backed up in his work. And I had said no; within reason, I don't think it makes any difference when you get to it. Just don't run up too much fee.

Q And then, although you're not quite sure when that next contact was, he reported to you as to his progress?

A Not substantively.

Q He reported to you, then, that he was still on the case?

A Yes.

Q Did he ask you any questions at that time pertaining to the investigation?

A No. I don't believe he ever did.

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Q Did you ask him any questions as to how he was coming along in his investigation?

A No.

Q Did you at that time, or in any other discussions with Mr. Butcher, attempt to set any limit on the time frame of the investigation?

A No.

Q So then you were simply waiting until he was finished doing what you had asked, completed a background investigation?

A Eventually a report came in through the mail.

Q Had you spoken about this report before you received it?

A Before I received it?

Q Yes.

A No.

Q Did you expect a report?

A I expected one sooner or later; yes.

Q So the arrangement was that at some point you would receive a written summary of the results of this investigation?

A I'm not sure it was spelled out with

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particularity, but I suppose there was the alternative that if I weren't going to receive a written report, I would receive an oral report.

Q At this point, did you have any qualms about the nature of the investigation, that it might become of political interest?

A No.

Q Did you receive, then, a report from Mr. Butcher?

A Yes.

Q Do you recall when that was?

(Pause.)

A In or about May 1986.

Q What did you do when you received the report?

A Gave it to Mr. Giesecke. Or I may have mailed it to him, or I may have sent it over by messenger. But in any event, I transmitted it to him.

Q Did you read the report?

A I glanced at it; yes.

Q Do you recall what it said?

A Somewhat vaguely.

Q Could you please tell us for the record your recollection of what that report stated?

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A I think the best evidence of that would be the report.

Q And do you have a copy of the report in your possession?

A No, sir. I gave that to Mr. Giesecke, as I testified a moment ago.

Q You kept no copy?

A I kept no copy.

Oh, excuse me. Yes. One copy. One copy was kept in my former law firm. I personally kept no copy.

Q So this was placed, I assume, in the file that you spoke of that was opened at your former law firm?

A That's correct.

Q As far as you know, does this report still exist, this copy?

A I have no idea. I left the firm October 1, 1986.

Q Did you communicate orally with Mr. Giesecke or Mr. Lind concerning the report?

A I have never communicated with Mr. Lind.

With Mr. Giesecke, I do not believe we discussed the contents of the report. If we did, it was a very passing and superficial discussion.

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Bear in mind, if you would, that the total period of time that I spent on this matter was extremely minimal. We are taking more time -- and I don't say this critically -- to pose questions and answer them concerning the events probably than was spent on the events themselves.

Q You stated that you did recall some about the contents of the report.

A Vaguely; yes.

Q Will you state for us and for the record, to the best of your recollection, what the report stated, understanding that the best evidence may be the report? Nonetheless, we not ever find a copy of the report.

MR. REDMOND: I am going to object to that question. I don't think Mr. Harrison has to answer as to what he remembers in a summary fashion of that report.

MR. ANDERSON: I don't understand the grounds for that objection. Of course, deposition testimony is taken subject to objection in the first place; and secondly, I think it's completely usual and normal to have Mr. Harrison respond as to his recollection of a report that is clearly, in many ways, the centerpiece of this investigation -- the activity that was done that raised the concern.

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MR. REDMOND: It is our position that if there is a report, you certainly can get ahold of it.

MR. ANDERSON: I'm sorry?

MR. REDMOND: If there is a report in existence, you certainly have the means of getting ahold of it.

MR. ANDERSON: That may be so, but I still don't see a good grounds for refusing to answer the question at this time.

MR. REDMOND: We are not answering questions based on writings that we don't have before us.

MR. ANDERSON: So you are directing the witness not to answer that question?

MR. REDMOND: That's correct.

BY MR. ANDERSON:

Q Mr. Harrison, I ask you to answer the question.

A I decline to answer it for the reasons stated by Mr. Redmond.

MR. ANDERSON: Understanding that we're not waiving our right to seek assistance in getting a response to this question, we'll move on to another area.

MR. REDMOND: I don't expect you to waive your rights in that regards.

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THE WITNESS: I assume neither of us is waiving any right.

BY MR. ANDERSON:

Q As far as you know then, one copy of the report, the Butcher report, one copy was retained by the law firm you were working for, at least retained at the time, a copy was put in the file. One copy was mailed to Mr. Giesecke.

A As I said before, I don't really recall whether it was mailed, whether it was taken over by a messenger, or whether the next time I went to that office I took it. I think it was one of the first two alternatives.

At any rate, it was transmitted to Mr. Giesecke.

Q Again, drawing your attention to Exhibit 1, page 4, Answer to Allegations, No. 3, it states that you mailed no material into North Dakota, other than to the Butcher agency.

A That's correct.

Q Did you mail any material, including the Butcher report, to any other state other than North Dakota?

A No. I didn't mail the Butcher report anyplace, unless I mailed it -- and it would not have been I personally, it would have been one of the secretaries in the

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office -- unless we mailed to over to Mr. Giesecke. I think it's more likely, considering Mr. Giesecke at that point was only a few blocks away, that somebody took it over.

Q Other than the material that you mentioned earlier in this deposition that you had received from Mr. Giesecke that you mailed on to Mr. Butcher, is there any other material that would be pertinent to the discussion of this matter that would be referred to in No. 3 in Exhibit 1?

A There is not. I had hoped that No. 3 is a rather declarative statement. I mailed no material into North Dakota other than to the Butcher agency.

Q And no material to any other place?

A And I mailed no material to any other place, unless somebody in the office, which would have been done at my direction, mailed the Butcher report to Mr. Giesecke. And, as I said, I doubt seriously it was mailed. We had a full-time messenger and were only a few blocks away.

I doubt seriously it was mailed. I think the messenger probably took it the next time he was in that neighborhood.

Q Did you get a response from Mr. Giesecke after you, in whatever fashion, transmitted the Butcher report to

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him?

A I either got no response, or I got a passing oral comment or question such as had I read it. Now, mind you, I'm not sure if he asked me if I read it, but he may have.

Q Did you discuss the report with Mr. Rand?

A No, not really. He was not particularly happy with it in the sense that -- the impression I got was that he thought it was off on somewhat unproductive diversions.

Q What did he mean by that?

A I don't know what he meant by that?

Q Do you recall him stating that it was off in unproductive diversions, or words to that effect?

A No. That's my phraseology, but he didn't think it was particularly useful. Let's put it that way.

Q But he didn't specify in which ways?

A No.

Q And you don't recall having a discussion with him that would have clarified in what ways it was not useful?

A One, I do not recall such a discussion. Two, I don't think there was such a discussion. And, three, I had at best minimal interest in the content of the report or the subject matter.

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Q Did you have any discussions with anyone else concerning the report, other than conversations you've specified with Mr. Rand and the possible "in passing" conversation with Mr. Giesecke?

A Unless possibly with my secretary, no. If I had a conversation with her on the subject, it would have been a very quick and superficial conversation.

(Discussion off the record.)

BY MR. ANDERSON:

Q You mention in Exhibit 1 the opening of the file at your law firm, the law firm that you were working for at that time.

Did you discuss opening this file with anyone else at the firm?

A Anyone else other than my secretary?

Q That's correct.

A Either she or I probably mentioned it to the office manager, simply to account for it.

Q But, if I understand you correctly, you did not discuss the substance of this matter with any of your other partners at this time?

A Substance, no, with one exception; and that is at

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about the time we sent the check to Mr. Butcher, I inquired of one partner if he had any problem with an inquiry or investigation about Mr. Dorgan of North Dakota.

And he replied that he did not; that he knew him, but his interest was in the Washington Dorgan and not the North Dakota Dorgan. And then he pointed out -- he, having lived in South Dakota for some years, that South Dakota and North Dakota are only geographically proximate, but in fact they're worlds apart.

And we laughed, and that was the end of that discussion.

Q No concern was expressed then at that time?

A None whatever.

Q Who was that partner at the firm that you discussed that with?

A Mr. Marshall L. Matz, M-a-t-z.

Q Do you recall what else might have been in this file other than the Butcher report, the file established at your former law firm?

A No, I don't recall, but I doubt there was anything else in it. Perhaps there was a letter to Mr. Butcher, a letter of transmittal and perhaps, although

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unlikely, a copy of his invoices and of these checks. I'm not sure why they would be in there, but conceivably they might have been.

Q Did you bill any time to this file?

A I don't believe I did.

Q Are you aware of any other lawyer in the firm billing time to this file?

A No.

Q What was the reason for not billing any time to the file concerning this matter?

A The time was de minimis, and all I was doing was an accommodation for an individual who was both a friend and a source of substantial business.

In private practice one does, from time to time, small matters for friends or clients or sources of business without billing. There is nothing unusual about that.

Q I understand.

Would it have been the usual case for the firm to have retained a copy of this file? In your experience with that firm, would they have retained for their records this file?

A You're asking me would they have?

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Q Was it their usual practice to keep, retain in their archives somewhere, files for matters such as this?

A I don't think the question can be asked in terms of the usual practice because I was the first partner since the founding of the firm to withdraw as a partner in the firm and, in addition, this particular matter, by the time I withdrew, had become a sufficient little league press cause celebre, if I may so phrase it, that at least one of the partners in the firm who lobbies extensively was quite upset over the endeavor.

So, consequently, I don't think there is any frame of reference for usual or unusual. This was unique.

Q Again, looking at Exhibit 1, page 9 as we have it marked, this is apparently a bill from Butcher & Associates directed to Scott, Harrison & McLeod.

I note that in the copies that we have that were submitted to us by yourself, that a number of the items are blackened out both in the date and the description of services.

Can you explain that?

A Yes. I blacked them out before attaching this to my Answer, filed October 23, 1986.

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Q And what was the purpose of blacking out those portions of this invoice?

A There are two sides to this coin. The purpose of attaching the invoice was to inform the Federal Election Commission. The purpose of blacking out that which I blacked out was to avoid revealing, without the consent of Mr. W. T. Butcher, information which Mr. Butcher had submitted probably in confidence.

Obviously, if he wants to reveal it, I have no objection.

Q Will you reveal that information at this time?

A No, I don't have it at this time because it's blacked out.

Q Do you recall what you blacked out in any of the items?

MR. REDMOND: I'm going to object to that again, too, the same position I took earlier, that if we don't have a piece of writing here, we're just not going to talk about it.

And these are all blacked out here. I'll go back to the first reason. I assume we still consider this to be a matter of confidence that only can be waived by Mr.

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Butcher, not by us.

MR. ANDERSON: Are you asserting an attorney-client privilege at this point?

MR. REDMOND: No. We're asserting the fact that we were given this in confidence and we're not revealing it. That's why we blacked these things out.

MR. ANDERSON: The purpose of this investigation is to acquire information to help the Federal Election Commission decide whether there has been a violation of the law. And that's the purpose of our asking for information.

MR. REDMOND: I think if you want to find out what was in here, you can talk to Mr. Butcher about it.

MR. ANDERSON: Of course we can do that, but Mr. Harrison is the person that blacked out the information, that we have before us, and I believe it's a legitimate request for him to respond to the material which he has crossed out.

I understand your earlier objection. I think this is a different case yet again. And I will ask that the witness respond to the question.

MR. REDMOND: And I will direct the witness not to.

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THE WITNESS: From the format, you can see the answers are obvious anyway.

MR. ANDERSON: Perhaps I just haven't studied them enough.

BY MR. ANDERSON:

Q Are there any other copies of this bill in your possession?

A Not in my possession.

Q Do you understand a copy of this bill to reside in the files about which we have been speaking, at your former law firm?

A I don't know what's in the files of the former law firm or if, in fact, there is a file with the former law firm.

Q Did you transmit or pass along to your secretary or the administrative person responsible for keeping records the original copy of this at the time you received it, or did you retain it?

A I doubt I ever received the original copy. That probably went to the accounting office in the law firm.

Q Where did you obtain the copy that you used to blacken out and provide to the Commission?

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A I must have asked somebody in the law firm for it.

Q Do you recall?

A NO, I don't recall. And I don't even recall that I did. Maybe my secretary did.

Q What discussions did you have with Mr. Rand concerning the payment of this bill that is shown possibly incompletely -- it looks like there's a small portion missing of this copy. It looks like we have a total of $2,282.76 less credits of $500, and a balance. But apparently that did not make it onto this copy.

A The bottom appears not to have made it onto the machine. This is a photocopy, I guess, of a photocopy and so on.

Q Right.

A One could do the arithmetic. It's going to be around $1,700 or $1,800.

Q It's $1,782 and some cents.

Did you discuss the payment of this money, and perhaps in addition the $500 with Mr. Rand?

A I don't know that we discussed it. I expected that we would get reimbursed if we billed the amount, and we

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billed the amount and we were reimbursed.

Q You say you did bill and you were reimbursed?

A (Nods in the affirmative.)

To be more precise, the firm billed it and the firm was reimbursed.

Q You don't recall having any discussion with Mr. Rand?

A I don't know if there was discussion in so many words or not. I think I know him well enough that I would not have needed to inquire were he going to reimburse us if we in turn paid somebody for services, because I would know that of course he would reimburse us if we were to pay somebody for services.

Q I understand what you're saying there.

I guess my question goes to whether the bill received for the report represented a stage of the investigation and whether any discussion occurred as to any work, additional work that Mr. Butcher might do or that you might do concerning this matter.

A As to what I might do, I hadn't done anything other than make a couple of phone calls to find Mr. Butcher and sending the material.

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As to what Mr. Butcher might do, my recollection is that there was something in the report Mr. Rand wanted clarified, and I believed I asked my secretary to call him on that, and I think she did.

Q And did he clarify --

A And then --

Q I'm sorry.

A Well, I'm not sure that he did. And then nothing further happened.

Q Will you state what it was that Mr. Rand wanted clarified?

A I can give you a vague recollection and that's all. It seems to me it was something about alleged use or misuse of an aircraft.

Q In this discussion of the clarification of the report, was there any additional discussion or information passed to you concerning the ultimate use of this information?

A No.

Q Was there again a discussion of the timber industry?

A In general terms, yes.

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Q Was there any discussion of political consequences that might come of this investigation with Mr. Rand?

A Political as distinguished from legislative?

Q Electoral political, I guess.

A Electoral political, no.

Q Did you express any concerns to Mr. Rand on the political implications in an electoral sense?

A No.

Q Did you have any concerns?

A I had no concerns.

Q And you had a final conversation with Mr. Butcher in which you terminated your business arrangements with him, instructed him to cease his activity in your behalf?

A Yes.

He telephoned me and said that there was a story in a North Dakota newspaper that somebody had mailed information into North Dakota, and it looked to him like some of the information was the same documentation I had sent him, and did I know anything about it?

I did not, and so informed him. We both were somewhat puzzled as to why that might have happened or how

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it might have happened, and in that conversation I said well, if you're doing anything further -- and I didn't know that he was -- I suppose that you ought not to.

Now, if you want to call that a closing of assignment type conversation, I guess you could so characterize it.

Q Did Mr. Butcher have any response?

A No, other than puzzlement, as I also had as to who and why.

Q Was your puzzlement resolved at some point? Did you learn the identity of the --

A No. I still don't know. Assuming it was done, assuming the press reports were accurate, I still don't know who, or why, or from where some of those public documents were mailed to a newspaper in North Dakota, if in fact they were.

MR. ANDERSON: I have Government Exhibit 2; that is, the complaint filed in this matter by Dorgan and Conrad.

THE WITNESS: The Dorgan/Conrad Complaint, I have it in front of me.

MR. ANDERSON: I am handing this to the court reporter for marking.

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(Government Exhibit No. 2 identified.)

BY MR. ANDERSON:

Q Would you just take a quick look at it?

A I read it, you know, at the time I dictated my answer.

Q I'm not going to go into all of it in any great detail, but just a couple of points, but just to state for the record that you do or do not recognize it.

A Unless you tell me to the contrary, it looks to me to be the same copy, a copy of the same complaint that FEC sent to me.

Q Which is what it is.

Page 84 purports to be an excerpt from the National Law Journal of August 18, 1986 in which there is an article concerning some aspects of this matter.

In the lower right-hand column, the first full paragraph, there's a statement that is purportedly quoting you, Mr. Harrison, that states: "'I suppose Fritz didn't want to be linked directly.' He later passed documents back and forth between the detective and the Rand firm, D.C.'s Trammell, Rand, Nathan and Lincoln, Mr. Harrison said."

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Do you recall making that statement to the reporter?

A No, I don't recall it.

I recall Eric Effron was one of a number of reporters that called me, mostly in New York. I particularly recall him because he called a couple of times in the middle of the night while I was attempting to attend the American Bar Convention.

Q I understand that you don't recall making this particular statement.

Do you agree with the substance of it?

A Of which sentence now?

Q The first one, I suppose. "Fritz," and that would refer to Fritz Giesecke, I assume, "didn't want to be linked directly."

A Fritz Giesecke would be the best source of that information. If I said it, I don't know the context in which we were talking and there is no clue in the article as to what the context was.

Q Was it your view that your contacting the Butcher firm and sending the documents to the Butcher firm after you had received them from Mr. Giesecke -- do you have any

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impression that by doing this you were attempting to prevent direct public link-up between Mr. Giesecke and this investigation?

MR. REDMOND: This investigation?

MR. ANDERSON: I mean the Butcher investigation. I'm sorry.

THE WITNESS: No, I had no such impression.

BY MR. ANDERSON:

Q So it would be your view that this adds more to it than was your understanding of the situation?

A No, I wouldn't characterize that as my view. What I'm saying is that I do not remember and this article does not disclose the context of the nocturnal colloquy between Mr. Eric Effron and myself.

Q Let me ask you directly: Was it your purpose to prevent a connection being made in terms of the public between Mr. Giesecke and the Butcher investigation?

A No, but I would not expect there to be any public disclosure at all. When detective agencies investigate people in the normal course, there is no public disclosure of source or origin of the investigation, unless sometimes it's the federal government investigating for a federal

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appointment.

I've had many people come to me, as I guess you have, and inquire about people in the course of an investigation, and they don't reveal the origin or who their client is. And I know enough not to inquire.

Q Certainly.

Are there any other copies of the report that you are aware of -- I'm sorry; I've already covered that.

Let me direct your attention in Exhibit 2 to the section starting on 26 which purports to be part of the package which was ultimately sent to the press.

Would you take a look at least the first two pages of the text? Have you seen this before?

A My 26, I guess like yours, has no heading, just appears to be some typewriter.

Q That's correct.

(Discussion off the record.)

MR. ANDERSON: Back on the record.

MR. REDMOND: I hope we can identify that more than it seems to be identified here.

MS. REILLY: That's how it appeared in the package.

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MR. ANDERSON: This is how the material arrived to the Federal Election Commission and, as we discussed in our off-the-record conversation, my conversation with Ms. Reilly, apparently the first page of it that concerns us is the envelope which would be our page 25.

This was attached to the complaint filed by Congressman Dorgan, and the complaint states that -- and a number of pages of attachment --

MS. REILLY: Were mailed to newspapers.

MR. ANDERSON: These were mailed to newspapers. And as far as how far it goes --

MS. REILLY: To page 76.

MR. ANDERSON: To page 76. According to the complaint. Again, according to the complaint filed with the Federal Election Commission.

MR. REDMOND: It's an allegation.

MR. ANDERSON: It's an allegation and this is what was submitted to the press.

BY MR. ANDERSON:

Q Again directing your attention, Mr. Harrison, to the first pages, pages 26 and 27, did you write this material?

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A No. I first saw it when I got it as an attachment to this Dorgan/Conrad complaint.

MR. REDMOND: There's internal evidence to that effect, too, because he writes much better than this.

THE WITNESS: I would be very embarrassed if I had written it, and I would be even more embarrassed, utterly chagrined, if I had written the Dorgan/Conrad complaint.

BY MR. ANDERSON:

Q I understand that you've stated you first saw this document when you received your copy of the complaint from the FEC.

A That's correct.

Q However, do you have any knowledge as to who wrote the material?

A None whatever.

Q Have you ever spoken to anyone, prior to receiving it from the Commission, have you ever spoken to anyone concerning such a document?

A No.

Q Have you discussed this material with Mr. Rand?

A Which material?

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Q The first two pages.

A Page 26, no.

Q Have you discussed it with Mr. Giesecke?

A No.

Q And you stated you never have spoken with Mr. Lind; is that correct?

A No. That's correct.

No, I haven't. It is correct that I so stated it.

Q Were you consulted concerning the preparation?

MR. REDMOND: I think he's answered the question. We're sort of beating a dead horse now, aren't we?

MR. ANDERSON: I am satisfied. We can go on.

Again returning to the Butcher report, I understand your objection to the contents. I nonetheless note that there are several items in this page, this 26 and 27, that may have been the kind of thing that, at least at this point, we at the Commission can only speculate may have been in the Butcher report that somehow, some way found itself in the --

MR. REDMOND: Since these two pages deal essentially with Washington activities, I'm not sure we can

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make any assumption that this may have been in the Butcher report, which is dealing as I understand it with North Dakota.

MR. ANDERSON: I said it may have been. It's not an assumption that it was. It merely may have been.

But I want to ask, with respect to several of these items, whether they were derived from the Butcher report, to the best of Mr. Harrison's knowledge.

MR. REDMOND: I'm going to make the same objection; that the best evidence of that is the Butcher report.

MR. ANDERSON: I understand that. I am going to simply ask these questions for the record, understanding your objection.

BY MR. ANDERSON:

Q Did the Butcher report contain material, any of the following: The Olsen employment with APCO?

MR. REDMOND: I direct my client not to answer that question on the grounds stated.

I'll just have a continuing objection, rather than opening my mouth every time you ask a question in this connection.

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BY MR. ANDERSON:

Q Olsen's activity regarding her employment with APCO?

MR. ANDERSON: If the record can reflect that these are individual questions and that a continuing objection is being made to each of them, please.

THE WITNESS: I think, Mr. Anderson, if it helps you, you could look at some of these government documents and you could see that most, and maybe even all of what's in them is replicated in these pages 26 and 27. Or, to phrase it more accurately, most or all of what's on pages 26 and 27 is contained in the public information documents.

BY MR. ANDERSON:

Q Are you referring, Mr. Harrison, to the documents that you sent to Mr. Butcher and received from Mr. Giesecke?

A Yes. The public information records under the Foreign Agents Registration Act and the Registration of Lobbying Act.

Page 26 and 27 appears to be the last two pages of something. As I read it, just one man reading it, it starts as though it's the continuation of something.

Q I would agree with that characterization of this,

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except for one item, and I will just ask about that. Most of these appear to have been something we can glean from the public documents.

There is the question of the employment of Kimberly Sue Olsen, and I would ask the question if that was part of the Butcher investigation.

MR. REDMOND: Same objection.

BY MR. ANDERSON:

Q Mr. Harrison, are you familiar with the law firm -- I believe it pronounced Schawbe, Williamson, Wyatt, Moore & Roberts?

A What do you mean by "familiar"?

Q Have you ever heard of it?

A Sure. It's a fine law firm in this city.

Q Do you know a Robert Duncan of that firm?

A I do not.

I don't know a Robert Duncan of any firm.

Q Did you have any conversations with anyone at the firm I just mentioned concerning the Butcher investigation?

A After the FEC undertook the investigation?

Q Before.

A No.

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ki

Q After?

A Yes.

Q Do you know whether Mr. Rand or Mr. Giesecke had any conversations with anyone at the Schawbe law firm before the FEC investigation, concerning the Butcher investigation?

A I do not know as a fact. I would be surprised if they did, but I do not know as a fact.

MR. ANDERSON: I would like to take a very short break and have an opportunity to consult with Ms. Reilly, and then we'll come back.

MR. REDMOND: How much more do you have?

MR. ANDERSON: Very little. And I will give you an opportunity if you wish for cross-examination.

(Brief recess.)

MR. ANDERSON: Back on the record.

BY MR. ANDERSON:

Q I just have a couple of very brief things, one concerning Mr. Giesecke again.

Are you aware of Mr. Giesecke traveling to North Dakota after the Butcher report was transmitted to him, concerning this investigation of Congressman Dorgan?

A No.

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If he did, I do not know about it.

Q How about before the report? Before the Butcher report came out, are you aware of him traveling to North Dakota?

A No.

Q The only other question I have, again referring to Exhibit 1, page 4 of that, and your answer to allegations, you state that you have taken no action involving Mr. Kent Conrad.

Insofar as this document, although signed, was not sworn to, I would just ask again on the record if this is a true statement.

A It is a true statement.

MR. ANDERSON: I have no further questions.

Do you care to make a statement for the record? Do you have any cross-examination?

MR. REDMOND: I have no cross-examination; no.

THE WITNESS: I have no statement. I said what I wanted to say in my answer.

MR. ANDERSON: That being the case, we'll come to a close, please.

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(Whereupon, at 11:40 o'clock a.m., the taking of the deposition was concluded.)

Marion Edwyn Harrison

Subscribed and sworn to before me
this 21 day of August, 1987.

Notary Public

My Commission Expires 11-14-89

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, KAREN N. ILSEMANN, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Karen N. Ilsemann
Notary Public in and for the
District of Columbia

My Commission Expires FEBRUARY 14, 1991

8904078192

27 AM 10:16

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	]	
	]	
North Dakota State Republican Party,	]	
People for Mark Andrews,	]	
Bert B. Rand	]	
Marion E. Harrison	]	MUR 2229
Fritz Giesecke,	]	
W. T. Butcher,	]	
Peter Lind, and	]	
Joe Doe and Richard Roe, agents on their behalf.	]	

97 DEC 27 PM 2:00

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ANSWER

RESPONDENT MARION EDWYN HARRISON

I. Introduction

The Complaint states no allegation against this Respondent.

Complainants violate 2 USC §437g(a)(11), formerly §434g(a)-(12), as implemented by 11 CFR §111.21(a). This Respondent requests the Federal Election Commission (1) to find Complainants in violation and (2) to assess an appropriate penalty.

The Complaint patently is a political propaganda attempt, filed and disseminated to the press to generate publicity in an unrelated election.

DEPOSITION EXHIBIT Gov't #1 8/6/97 K

Exhibit #1

In the interest of thoroughness, as distinguished from political hyperbole, this Respondent sets forth the pertinent facts and answers the limited portions of the Complaint which arguably refer to him.

II. Facts

In March 1986, Bert B. Rand, Esquire, enquired, in view of this Respondent's acquaintance with lawyers throughout the country (largely by virtue of this Respondent's service as a Governor of the American Bar Association and other bar activities), if this Respondent could identify some one in North Dakota to conduct a background investigation of Representative Byron Dorgan and Miss Kimberley Sue Olson, a lobbyist believed to be Mr. Dorgan's third, and current, wife. This Respondent had no acquaintance with Mr. Dorgan, his wives, Respondent North Dakota State Republican Party ("Respondent Party") or Respondent People for Mark Andrews ("Respondent People"). Mr. Rand is a prominent attorney and a friend and business associate of many years of this Respondent. Such enquiry led to the retaining of W. T. Butcher & Associates, Ltd., a licensed North Dakota detective agency, for a background investigation of Mr. Dorgan and Miss Olson.

The investigation had nothing to do with any other person.

8904071894

This Respondent knew that Mr. Rand never had been in politics and had interests over the years in the timber industry and in the Pacific Northwest. Further, this Respondent was informed that Miss Olson lobbied against American timber interests under her maiden name and without disclosure of the fact that she was married to a Member of Congress before whom, and before whose Committee, she lobbied.

There is nothing unlawful, unusual or irregular inherent in a background investigation of a lobbyist or of a politician.

This Respondent, in retaining the Butcher firm, requested a background investigation; furnished photocopies of public documents provided by Fritz H. Giesecke, Esquire, (documents available to any member of the public); and delineated the investigation to Mr. Dorgan, Miss Olson and nobody else. This Respondent advised that this investigation was a commercial proposition inasmuch as Mr. W. T. Butcher enquired as to whether there were political implications.

A file routinely was opened in the law firm of Scott, Harrison & McLeod, labeled "DORGAN"; said law firm mailed a retainer check (signed by two partners) to the Butcher agency in the sum of $500.00; and awaited a report. In May a report and a further billing, in the amount of $1,782.76, were received. This

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Respondent transmitted the report to Mr. Giesecke. Two Scott, Harrison & McLeod partners (other than this Respondent) signed the check in payment of the billing, which check was mailed to the Butcher agency. Photocopies of the two checks and of the identification portion of the billing memorandum are attached.

The role of this Respondent was concluded.

III. Answer to Allegations

1. This Respondent is not now, and never has been, an agent of Respondent Party or Respondent People and has no connection with, or knowledge of, either entity.

2. This Respondent has taken no action involving Mr. Kent Conrad.

3. This Respondent has mailed no material into North Dakota other than to the Butcher agency.

4. The Complaint is drafted so inartfully that a more definitive answer is precluded.

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IV. Law

This Respondent's limited activity fully is protected by the First Amendment. Any citizen has the right, whether as an accommodation to another person, or on his own initiative, to retain a detective agency to investigate a lobbyist and her husband. A Member of Congress is entitled to no privilege or immunity in this context beyond that to which any citizen is entitled.

The Federal Election Campaign Act of 1971, as amended, 2 USC §§431 et seq., is inapplicable. This Respondent neither has spent, nor authorized the spending of, any monies for the purpose of influencing a federal election. 2 USC §§431 (8)(A); 11 CFR §100.7. Consequently, there has been no contribution.

Complainant Conrad has insinuated himself into an investigation unrelated to him. Both Complainants have invoked the procedures of the Federal Election Commission to stir up a self-serving political tempest rather than to enforce the law.

The Federal Election Commission can take no action against this Respondent, even including conciliation, because Respondent neither has violated law nor engaged in any conduct within Federal Election Commission jurisdiction.

V. Waiver of Confidentiality

This Respondent waives confidentiality.

VI. Prayer

The Federal Election Commission should:

1. Summarily dismiss the Complaint. 11 CFR §111.7(b).

2. Find Complainants in violation of 2 USC §437g(a)(11), formerly §437g(a)(12), as implemented by 11 CFR §111.21(a).

3. Assess an appropriate penalty against Complainants.

4. Direct Complainants to cease and desist from further violation of law.

MARION EDWYN HARRISON

October 23, 1986

8204078998

District of Columbia)
) ss
City of Washington)

Subscribed and sworn to before me this twenty-~~seventh~~ day of October 1986.

Notary Public

My commission expires November 14 1989.

My Commission Expires November 14, 1989

R904071899

SCOTT, HARRISON & McLEOD
(202) 861-1234
2501 M STREET, N.W., 4TH FLOOR
WASHINGTON, DC 20037

FIRST AMERICAN BANK, N.A.
WASHINGTON, DC

00:

15-4
540 2

DATE June 2, 1986 AMOU $1,782.7

PAY One thousand seven hundred eighty two and 76/100 dollars**

TO THE ORDER OF
W.T. Butcher & Associates, LTD
1424 W. Century Avenue,
Suite 106
Bismarck, ND 58501

John R. Hamilton

P86-339 "003060" :054000043: 3 314 804" "0000178

9004071900

SCOTT, HARRISON & McLEOD
(202) 861-1234
2501 M STREET, N.W., 4TH FLOOR
WASHINGTON, DC 20037

FIRST AMERICAN BANK, N.A.
WASHINGTON, DC

00?

15-4
540 2

DATE March 7, 1986 AMOU $500.00*

PAY Five hundred and 00/100 dollars*****

TO THE ORDER OF
W.T. Butcher Associates, Inc.

John R. Hamilton
Warren Harris

P86-339 "002636" :054000043: 3 314 804" "0000050

W.T. BUTCHER & ASSOCIATES, LTD.
1424 W. Century Ave., Suite 108
Bismarck, ND 58501
(701) 224-1641

Employer ID No. [redacted]

Invoice Date: May 13, 1986
File No.: P86-339
Ordered By: Marion Harrison
Date Received: March 5, 1986
Date Completed: May 13, 1986

To: Scott, Harrison & McLeod
2501 M Street, N. W.
Washington, D.C. 20037

Re: Byron Dorgan Inquiry

Date	Description		Amount
	PROFESSIONAL SERVICES		
3/5/86	Telephone conference with Marion Harrison		
	Inquiry [redacted]		
	Investigation [redacted]		
	Investigation [redacted]		
	Investigation [redacted]		
	Transcript procurement [redacted]		
	Investigation at [redacted]		
	Transcript procurement [redacted]		
	Interview [redacted]		
	Various telephone & personal interviews [redacted]		
	Telephone conference [redacted]		
5/12/86	Interview [redacted]		$1,845.00
	EXPENSES		
	Lodging	$ 59.36	
	Subsistence	60.00	
	Mileage	180.60	
	Telephone calls	62.30	
	Transcripts	48.00	
	Copies	27.50	437.76

RECEIVED
MAY 19 1986

Please indicate invoice number on remittance check.

THANK YOU for allowing us to be of service to you.

TOTAL	$2,282.76
LESS CREDITS	500.00

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

19 October 1987

J. Jonathan Schraub, Esquire
Golden, Freda, & Schraub, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2251
Bert B. Rand
Fritz H. Giesecke
Peter M. Lind

Dear Mr. Schraub:

This is in response to your letter dated September 16, 1987, which was received by the Office of the General Counsel on September 28, 1987. Your letter states, in relevant part, that your "clients are unwilling to submit any information to the Commission or appear for deposition and answer questions with respect to any documents in their possession without first obtaining a full release and indemnification from the Commission with respect to any intentional or inadvertent publication, dissemination or 'leak' of documents in the hands of these respondents." It appears their specific concern stems from the Commission's treatment of the Butcher Investigative Report ("Butcher Report").

The Commission handles many sensitive documents similar in nature to the Butcher Report. Materials submitted to the Office of the General Counsel are placed in the Docket Room, a secured area accessible only to the Commission's staff. Moreover, pursuant to the confidentiality provisions of 2 U.S.C. § 437g(a)(12), Commission employees are subject to substantial fines in the event they disclose to the public any investigation by the Commission. Therefore, disclosure of the Butcher Report during the course of the Commission's investigation is prohibited by law. Additionally, when the file in this matter is closed, in the event the Butcher Report or any other materials produced by your clients compromise the personal privacy of individuals, the exemptions to the Freedom of Information Act would prevent public disclosure of such materials. Thus, it is the position of this Office that your clients' concerns of improper disclosure of materials they produce to the Commission are adequately addressed by the Commission's procedures and relevant statutes.

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In an effort to resolve this matter, the Office of the General Counsel intends to proceed with the depositions authorized by the subpoenas issued to your clients.*/ Accordingly, your clients are requested to appear for their depositions on Wednesday, October 28, 1987, at 10 a.m. at the sixth floor offices of the Office of the General Counsel, 999 E Street, N.W., Washington, D.C., 20463. The deposition of Mr. Rand will be taken beginning at 10 a.m. and the deposition of Mr. Giesecke will follow. As previously stated, the Office of General Counsel will not schedule the deposition of Mr. Lind until after the other two depositions have been completed.

In order to ensure the smooth process of these depositions, you are requested to produce the documents responsive to the Commission's subpoenas by 5 p.m., Monday October 26, 1987, at the sixth floor offices of the Office of the General Counsel. If either of these dates are inconvenient, please contact Ms. Reilly, the attorney assigned to this matter, in writing immediately. This Office will make reasonable efforts to accommodate any scheduling conflicts or other problems. In the absence of a written response, in the event the subpoenaed documents are not produced on Monday, October 26, 1987, this Office will not proceed with the scheduled depositions. Instead, the Office of the General Counsel will request Commission authorization to file civil suit to enforce these subpoenas.

If you have any further questions, please contact Ms. Reilly at 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

*/ Your letter states you continue to object to the validity of these subpoenas on the bases of alleged procedural deficiencies and alleged lack of jurisdiction. The Commission considered these issues in your Motion to Quash but did not find them to be persuasive.

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HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
QCC#4614
87 OCT 22 PM 4:23

GOLDEN, FREDA & SCHRAUB, P. C.

ATTORNEYS AT LAW
SUITE 300
1625 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 939-6000

MICHAEL D. GOLDEN
ROBERT J. FREDA*
J. JONATHAN SCHRAUB*
DAVID A. IRWIN
CAROLINE E. BLAKELY
SUSAN O'HEARN TEMKIN
WARREN S. OLIVERI, JR.*
SYLVIA LESSE*
THOMAS J. MOORMAN
MURIEL N. FELDMAN*
JANICE E. GARLITZ*
STEPHEN G. KRASKIN
RICHARD T. ROSSIER*
SUSAN A. COBB
HEDY L. NELSON**
PHILIP H. BANE**

*ALSO ADMITTED IN MARYLAND
*ALSO ADMITTED IN VIRGINIA
*NOT ADMITTED IN DISTRICT OF COLUMBIA

VIRGINIA OFFICE
6849 OLD DOMINION DRIVE
SUITE 410
McLEAN, VIRGINIA 22101

MARYLAND OFFICE
BARRISTER'S PLACE, SUITE 7
751 ROCKVILLE PIKE
ROCKVILLE, MARYLAND 20852

TELECOPIER
(202) 387-6236

October 22, 1987

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 23 PM 12:26

BY HAND

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2251

Dear Mr. Noble:

This is written in response to your letter dated October 19, 1987, and addressed to Jonathan Schraub that was received in this office on October 21, 1987. As I have advised Ms. Patricia Reilly of your office in telephone conversations yesterday and today, your letter was referred to me for response because Jonathan Schraub is presently out of the country and is not expected to return to this office until October 26, 1987. He will, therefore, be unable to respond to your letter in writing, as you request, prior to October 26, 1987, the date you have requested for the production of documents.

While expressly reserving all rights of respondents Bert B. Rand, Fritz H. Giesecke and Peter M. Lind, I have requested that your office (1) withdraw the request to schedule the depositions and the document production for next week so that Messrs. Rand, Giesecke, and Lind may be permitted a reasonable opportunity to confer with their counsel and decide upon their response to your request, and (2) defer

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rescheduling the factual discovery that you have requested until Jonathan Schraub has had an opportunity to consult with his clients.

With respect to the foregoing, Ms. Reilly of your office has agreed to withdraw the original request to schedule the depositions and document production for the week of October 26th. She also stated, however, that the factual discovery may nevertheless be rescheduled for the first week of November. As I told her in our telephone conversation today, such a rescheduling would be unworkable because Mr. Giesecke will be out of town that week.

Accordingly, I reiterate my request on behalf of Messrs. Rand, Giesecke, and Lind that the Commission defer rescheduling the contemplated factual discovery in this matter at this point until Ms. Reilly has had a chance to confer with Jonathan Schraub on these matters. In addition, as noted above, Messrs. Rand, Giesecke, and Lind reserve all rights with respect to the issues raised in your October 19th letter.

If you or Ms. Reilly have any questions with respect to the foregoing or would like to discuss this matter further, you may reach me at 939-6000.

Sincerely,

Richard T. Rossier

cc: Patricia Reilly, Esq.
Bert B. Rand, Esq.
Fritz H. Giesecke, Esq.
Peter M. Lind, Esq.
J. Jonathan Schraub, Esq.

8204073190 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

October 23, 1987

HAND DELIVERED

Richard T. Rossier, Esquire
Golden, Freda & Schraub, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D. C. 20036

RE: MUR 2251
Bert B. Rand
Fritz H. Giesecke
Peter M. Lind

Dear Mr. Rossier:

This is to acknowledge receipt of your October 22, 1987 letter in which you state Mr. Schraub is out of the country and thus is unable to meet the Office of the General Counsel's October 26, 1987, deadline for the production of documents in the above-captioned matter. Accordingly, this Office will not insist upon production of documents on that date. However, Mr. Schraub is requested to confer with this Office at his earliest possible convenience to schedule depositions.

As noted in this Office's October 19, 1987 letter, this Office will not proceed with these depositions in the event the Butcher Report is not produced. Instead, the Office of the General Counsel will request Commission authorization to file civil suit to enforce these subpoenas.

If you have any questions, please contact Ms. Reilly at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

8904073106

6CC#4676
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
87 NOV -2 AM 9:06

GOLDEN, FREDA & SCHRAUB, P. C.

ATTORNEYS AT LAW
SUITE 300
1625 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 939-6000

VIRGINIA OFFICE
6849 OLD DOMINION DRIVE
SUITE 410
McLEAN, VIRGINIA 22101

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751 ROCKVILLE PIKE
ROCKVILLE, MARYLAND 20852

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SUSAN O'HEARN TEMKIN
WARREN S. OLIVERI, JR.*
SYLVIA LESSE*
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MURIEL N. FELDMAN*
JANICE E. GARLITZ*
STEPHEN G. KRASKIN
RICHARD T. ROSSIER*
SUSAN A. COBB
HEDY L. NELSON**
PHILIP H. BANE**

*ALSO ADMITTED IN MARYLAND
*ALSO ADMITTED IN VIRGINIA
*NOT ADMITTED IN DISTRICT OF COLUMBIA

October 30, 1987

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV -2 AM 10:51

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General Counsel
Federal Election Commission
Washington, D.C. 20463

Attn: Ms. Patty Riley

Re: MUR 2251

Dear Ms. Riley:

This letter responds to the Commission's letters of October 19 and 23, 1987. Please understand that my clients are not only willing but anxious to cooperate with the Commission in resolving this matter. Accordingly, my clients stand ready to appear and testify at any reasonable time at the convenience of counsel.

We do believe, however, that there are serious concerns and reasonable requests which are properly raised and addressed now with respect to the Butcher Report. It is the Commission which has taken the position that it does not desire to proceed with depositions without first obtaining the Butcher Report, and, thus we would like to propose a preliminary meeting between counsel in an effort to find mutually acceptable procedures to handle the very unusual situation raised by the production of the Butcher Report.

We urge the General Counsel not to stand on formalities with respect to this matter. Our concerns and the potential danger and harm that could befall my clients from the intentional or inadvertent publication of this report are quite real and quite serious. We have maintained from the outset - and there is not one word in the record to dispute it - that the Butcher Report has never been copied, published, disseminated or used for any purpose or in any manner whatsoever. It was not commissioned by my clients. It was, in fact, totally irrelevant to the conflict of interest/lobbying issue related to the timber industry which my clients sought to disclose to the press through the dissemination of the public information contained in the timber lobby package, which you already possess.

What the Butcher Report does contain are allegations concerning certain public officials, the truth of which is unknown to my clients, but the dissemination of which would provide immediate political gain in some quarters and corresponding harm in others. Such publication would likely result in legal attack against my clients who would be very easy scapegoats for any injured parties. All of this, despite the fact that my clients have never cared about this report, never used it, and have gone to great lengths (and obviously are continuing to do so) to insure its confidentiality and non-disclosure.

Having said this, we are still anxious for the Commission to review the Butcher Report. When it does, it will see that our initial response to this fabricated, inuendo-filled Complaint was accurate. The Butcher Report does not relate in any way to the information on lobbying and conflict of interest on timber-related issues which was the concern of my clients in this matter from the outset.

Among the possible resolutions of this problem, which would give my clients sufficient comfort in revealing this report, would be either:

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(1) providing the report to an appropriate United States District Court Judge to be held and reviewed in camera but not copied, or

(2) receiving the written assurance of the General Counsel of the Commission that (a) the report will be held in a sealed envelope and maintained in a segregated file in his office, (b) the report will not be copied, (c) after the case is closed, the report will either be returned to my clients or destroyed, and (d) to the extent specific references are made to the substantive content of the report in questioning on deposition (which should not occur after a review of the report, given the irrelevancy of its content), the deposition will be placed and maintained under seal.

In closing, let me assure you that we do not suggest that these are the only means of resolving these concerns, but we raise them here as good-faith alternatives to be considered in what we hope will be a mutual effort between counsel to amicably resolve this issue of critical concern. The Commission should be assured that upon receipt of proper protections with respect to this essential issue, my clients will provide all possible cooperation in this matter.

Again, we urge that a prompt preliminary meeting be held to discuss mutually acceptable procedures for moving this matter along. I look forward to hearing from you.

Very truly yours,

J. Jonathan Schraub

JJS:etw
cc: Bert Rand, Esquire
Fritz H. Giesecke, Esquire
Peter Lind, Esquire

8 9 0 4 0 7 3 1 9 0 9

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

87 NOV 23 AM 11:25

In the Matter of)
)
Marion Edwyn Harrison)
Fritz H. Giesecke)
Peter M. Lind)
Bert B. Rand)

MUR 2251

GENERAL COUNSEL'S REPORT

SENSITIVE

BACKGROUND

On February 24, 1987, the Commission found reason to believe Marion E. Harrison, Bert B. Rand, Fritz H. Giesecke, and Peter M. Lind violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission as a political committee. Also on that date the Commission approved subpoenas for these individuals.

On May 12, 1987, the Commission denied a motion to quash filed on behalf of Mr. Rand, Mr. Giesecke, and Mr. Lind, and authorized the Office of the General Counsel to file suit against Mr. Harrison in United States District Court seeking enforcement of the Commission's subpoena. 1/ Subsequently, this Office made arrangements with Mr. Harrison, who appeared for his deposition on August 6, 1987.

This Office has encountered difficulties in scheduling the depositions of the other three respondents. Their counsel continues to raise the arguments made in his motion to quash, i.e., that the Commission's reason to believe notice was statutorily defective and that the Commission is without subject matter jurisdiction to conduct the investigation. Additionally, respondents have resisted producing the documents specified in

1/ Mr. Harrison had failed to appear for his deposition scheduled on April 2, 1987, at the Office of the General Counsel.

9 2 0 4 0 7 3 1 9 1 0

the Commission's subpoena on the basis that these documents would not be secure in the Commission's hands. After engaging in protracted negotiations regarding the scope of this subpoena, respondents' counsel submitted a written demand for a release and idemnification from the Commission regarding possible "leaking" of the subpoenaed documents. 2/ (Attachment #1). This Office responded, noting the statutory and procedural protections afforded to respondents. (Attachment #2). Additionally, in an effort to resolve this matter, this Office set a deposition date of October 28, 1987, established a deadline date of October 25, 1987, for the production of documents, and informed respondents that in the event subpoenaed materials were not produced the Office of General Counsel would seek Commission authorization to file suit to enforce the subpoenas.

Subsequently, however, this Office was informed that respondents' counsel was out of the country and would not return until October 25, 1987. In order to accommodate this unforseen event, this Office agreed to not require production of documents on that date based upon an agreement that counsel would contact this Office on his return. (Attachment #3). On October 28, 1987, this Office contacted counsel who explained he had not yet conferred with his clients. On November 2, 1987, the Office of

2/ Respondents agreed to send this letter immediately after a September, 16, 1987, telephone conversation. Although this letter carries the date of this conversation, the letter was not received by the Commission until September 28, 1987.

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the General Counsel received additional correspondence from respondents' counsel reiterating his concerns that the confidentiality of a certain document, the Butcher Report, could not be maintained while it is in the Commission's possession. (Attachment #4). Counsel set forth four specific conditions that must be met by this Office before the Butcher Report will be produced. 3/ These conditions are: 1) the report will be held in a sealed envelope in a segregated file in the General Counsel's Office; 2) the report will not be copied; 3) after the case is closed the report is either destroyed or returned to counsel; and 4) the depositions in this matter be placed under seal in the event they discuss the contents of the Butcher Report. Counsel requests written assurances from the General Counsel that these conditions be met.

The conditions set forth by counsel are unacceptable for three reasons. First, these conditions would limit the Commissioners' access to subpoenaed materials. In order to carry out their statutory duties, the Commissioners must have access to all subpoenaed materials, notwithstanding purported irrelevance. Agreeing to limit the availability of these materials could require the Commission to make determinations without full access to all facts. It is the position of this Office that respondents cannot dictate the scope of an investigation.

3/ Counsel also states his clients would provide the report to an appropriate United States District Court judge for an in camera review. Absent a subpoena enforcement action, it is unclear how this review would occur.

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Second, respondents have failed to show any reason why these documents would not be secure in the Commission's possession. The Commission routinely handles many highly sensitive documents, and as detailed in this Office's October 19, 1987 letter, respondents are afforded a number of procedural and statutory protections. There is no reason to conclude that these safeguards do not adequately address the confidentiality concerns of the respondents.

Finally, respondents seek to restrict materials to be placed on the public record after the file in this matter is closed. However, the Commission is required by law to place all materials on the public record unless they are part of the conciliation process or exempted under the Freedom of Information Act. These are determinations that must be made by the Commission, not respondents. 4/ Therefore, respondents' conditions are unacceptable to this Office.

Given the recalcitrance of respondents, it is the opinion of this Office that matters would be best expedited by rejecting these conditions and setting dates certain for the production of documents and depositions. Accordingly, attached for Commission

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4/ Of course, if it is determined that the subpoenaed materials compromise the personal privacy of individuals, they would be not placed on the public record.

approval is a letter explaining the position of this Office on respondents' proposed limited discovery, requiring respondents to produce the documents on December 10, 1987, and setting a deposition date of December 23, 1987. After the date for production of documents passes, this Office will then report to the Commission.

RECOMMENDATION

1. Approve the attached letter.

Lawrence M. Noble
General Counsel

Date 11/25/87

Attachments
1. Counsel's letter dated 9/16/87
2. OGC's letter dated 10/19/87
3. OGC's letter dated 10/22/87
4. Counsel's letter dated 10/30/87
5. Proposed letter

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: NOVEMBER 27, 1987

SUBJECT: COMMENTS TO MUR 2251 - General Counsel's Report Signed November 20, 1987

Attached is a copy of Commissioner Aikens's vote sheet with comments regarding the above-captioned matter.

Attachment:
copy of vote sheet

9904073915

BALLOT

SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: MONDAY, NOVEMBER 23, 1987 4:00

COMMISSIONER: [redacted], ELLIOTT, JOSEFIAK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY WEDNESDAY, NOVEMBER 25, 1987 4:00

SUBJECT: MUR 2251 - General Counsel's Report
signed November 20, 1987

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FEDERAL ELECTION COMMISSION
RECEIVED
87 NOV 25 PM 4:08

( ) I approve the recommendation

(✓) I object to the recommendation

COMMENTS: for record only.

DATE: 11-24-87 SIGNATURE Joan D. Aikens

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.

PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.

PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2251
Marion Edwyn Harrison	)	
Fritz H. Giesecke	)	
Peter M. Lind	)	
Bert B. Rand	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 27, 1987, the Commission decided by a vote of 5-1 to approve the letter, as recommended in the General Counsel's report signed November 20, 1987.

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens dissented.

Attest:

11-27-87
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Mon.,	11-23-87,	11:25
Circulated on 48 hour tally basis:	Mon.,	11-23-87,	4:00
Deadline for vote:	Wed.,	11-25-87,	4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

01 December 1987

HAND DELIVERED

J. Jonathan Schraub
Golden, Freda, & Schraub, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2251
Bert B. Rand
Fritz H. Giesecke
Peter M. Lind

8904073118

Dear Mr. Schraub:

This letter responds to your letter dated October 30, 1987, in which you set forth the conditions under which you will agree to the production of the Butcher Report, and requested a meeting to further discuss these conditions. This Office has reviewed these conditions and has found them to be unacceptable.

Your letter indicates that you are proposing such conditions because you believe the Butcher Report contains personal information which, although irrelevant to the Commission's investigation, may be embarrassing if it becomes public. The Office of the General Counsel cannot rely upon respondents' statements on the relevancy of documents but, rather, must reach its own conclusions based upon a review of the materials. Moreover, because your conditions would impose limits on the accessibility of these documents to our clients, the Commissioners, this Office cannot agree to such restrictions. However, as stated in our October 19, 1987 letter, your clients are afforded a number of procedural and statutory safeguards regarding the confidentiality of materials submitted to the Office of the General Counsel. The confidentiality of materials in this matter, as in all matters, will be maintained during the investigation and, if appropriate, exempted from the public record.

In light of the foregoing, it appears that matters will be best expedited by the production of the Butcher Report and other requested materials. Accordingly, pursuant to the Commission's subpoena, you are requested to produce all documents responsive to this subpoena on December 10, 1987, by 5 p.m. at the sixth floor offices of the Office of the General Counsel. Moreover,

your clients are requested to appear for their depositions on December 23, 1987, at 10 a.m. The deposition of Mr. Rand will be taken at that time and the deposition of Mr. Giesecke will follow.

If you have any questions, please contact Ms. Reilly at 376-5690. This Office will accommodate any reasonable scheduling requests regarding the depositions, but will seek Commission authorization to file a subpoena enforcement action in the event the subpoenaed materials are not produced on December 10, 1987.

Sincerely,

Lawrence M. Noble
General Counsel

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OCC#4930

GOLDEN, FREDA & SCHRAUB, P. C.

ATTORNEYS AT LAW
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MICHAEL D. GOLDEN
ROBERT J. FREDA*
J. JONATHAN SCHRAUB*
DAVID A. IRWIN
CAROLINE E. BLAKELY
SUSAN O'HEARN TEMKIN
WARREN S. OLIVERI, JR.*
SYLVIA LESSE*
THOMAS J. MOORMAN
MURIEL N. FELDMAN*
JANICE E. GARLITZ*
STEPHEN G. KRASKIN
RICHARD T. ROSSIER*•
SUSAN A. COBB
HEDY L. NELSON*•
PHILIP H. BANE*•
SANDRA C. RUFFIN*•
MARGARET O'CONNOR*•

*ALSO ADMITTED IN MARYLAND
•ALSO ADMITTED IN VIRGINIA
*NOT ADMITTED IN DISTRICT OF COLUMBIA

December 10, 1987

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 DEC 10 PM 5:46

HAND DELIVERED

General Counsel
Federal Election Commission
Washington, DC 20463

Attn: Patty Reilly, Esquire

Re: MUR 2251

Dear Ms. Reilly:

Enclosed please find documents responsive to the subpoenas duces tecum issued to respondents Rand, Giesecke and Lind.

In connection with the production of these documents, please be advised as follows:

Respondents do not, by this production, waive their objection to the validity of either the original "reason to believe" notification nor the subsequent subpoenas duces tecum. Both are invalid and contrary to applicable law and regulation.

Respondents are producing the enclosed documents, and specifically the "Butcher Investigation Report," based solely

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upon the express written assurances from the General Counsel of the Federal Election Commission that these documents will be treated as proprietary and confidential and that the General Counsel will be responsible for the protection of these documents against unauthorized dissemination or disclosure.

Although respondents have made it abundantly clear in previous correspondence, it should be reiterated here that respondents request that these documents receive all the confidentiality protections afforded under 2 U.S.C. 437g(a)(12) and 11 C.F.R. §111.21.

We again state our request that at the close of this investigation, the Commission return to these respondents all of the information provided herein. To the extent the Commission determines to "maintain" any of this information after the close of the investigation, certain persons other than these respondents may have legal claim to access these documents. If, contrary to the specific requests of these respondents, and after the close of this investigation, the Commission does not return this information and chooses to "maintain" these documents, these respondents will look to the Commission and the General Counsel for the continued protection of this information and for any harm that might result from its dissemination.

If these conditions are unacceptable to the Commission, we request that this information be returned to us promptly. To the extent these documents are retained by the Commission, upon this submission, we will assume that the terms of this submission are understood.

Finally, the proposed dates for deposition of Messrs. Giesecke and Rand are inconvenient to both deponents and counsel. Mr. Giesecke can be available for deposition in

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early January and Mr. Rand at the end of January or early February. Please call me, and I will be glad to finalize convenient dates with you.

Very truly yours,

J. Jonathan Schraub

JJS:etw
Enclosures
cc: Bert Rand, Esquire
Fritz H. Giesecke, Esquire
Peter M. Lind, Esquire

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who so strongly supports the germaneness provision that is in Senate Resolution 28. He is, nonetheless, willing to have a vote. He is not attempting to stretch this debate out, hopeful that, in the final analysis, it will fall of its own weight. He is willing to have a decision. I hope that all Senators will emulate Senator LONG in that respect. Let us have a vote on this and other amendments and let the chips fall where they may.

As I say, I will work with the distinguished majority leader. I again thank him for the effort that he has made to keep this matter before the Senate. Senators will recall that, prior to the recess, there was some indication that this matter might be taken down and some other matter might be called up. The distinguished majority leader listened to my request that TV in the Senate remain the pending business before the Senate throughout the recess and that it be before the Senate when the Senate returned. And he so arranged for that.

So I owe thanks to the majority leader, and to the majority leadership on the other side of the aisle.

I think that is about all I need to say except to urge once more that all Senators who are interested in rules changes and those Senators who do not want to see rules changes, try to reach a time for a vote on the rules changes in the resolution and on the resolution itself.

Senate Resolution 28 has been before the Senate a long time. There has not been a great deal of debate on it. Most of the work has been going on behind the scenes. Yet, that is important. But Senators who are supportive of the rules changes that are proposed in the resolution, and those who are opposed, I hope, will be willing to let us have votes one way or the other thereon.

Mr. President, I ask unanimous consent that the special order which I have may be transferred to the distinguished Senator from Montana [Mr. BAUCUS].

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR BAUCUS

The PRESIDENT pro tempore. Under the previous order, the Senator from Montana [Mr. BAUCUS] is recognized for not to exceed 15 minutes.

SPECIAL ORDER SESSION ON CANADIAN LUMBER IMPORTS

Mr. BAUCUS. Mr. President, today is a historic day for several reasons. One of them is because today the largest number of Senators are assembled here this morning in the history of the Senate to speak out under the special order section of the today's proceeding on one issue; that is, subsidized Canadian lumber imports. I repeat: The largest assembly of Senators to speak on one issue in the history of the Senate—41 Senators.

It includes the leadership on both aisles: Senator DOLE, the majority leader; Senator BYRD, the minority leader. It also includes the trade leadership on both sides of the aisle: Senator PACKWOOD, chairman of the Finance Committee; Senator DANFORTH, chairman of the International Trade Subcommittee; Senator LONG, ranking member of the Finance Committee; and Senator BENTSEN, ranking member of the International Trade Subcommittee.

It also includes 11 members of the Senate Finance Committee—the committee with authority to authorize the President to begin negotiations on a free trade agreement with Canada. It includes Senators from every region of the country, not just the Northwest, with heavily populated forest products, and heavily timbered areas of the country. It also includes the Southwest, the Northwest, and the Southeast. That is because sawmills are being devastated all over the country by the Canadian flight of subsidized imports.

All of us are concerned about one issue: The subsidy of Canadian lumber imports.

In the United States, stumpage is auctioned off. Stumpage, so that everybody knows, means the price of the trees that are sold to the sawmill. In the United States stumpage is auctioned off. On public land it is auctioned off; that is, stumpage sells at the market price. The trees are sold to sawmills in the United States at the market price.

In Canada it is different. In Canada the government sets the stumpage price with no auction, no bidding, and no competition. As a result of this cozy system Canadian sawmill operators can buy stumpage for about one-tenth of what United States operators pay for logs. That is creating a flood of imports that is having a disastrous effect on U.S. lumber sawmill workers.

Between 1975 and 1985, only a 10-year period, Canadian imports have grown from less than 20 percent to up to 34 percent of the United States market; that is to say, of all the softwood consumed in the United States today throughout the whole country, about 34 percent is Canadian lumber.

As I have said, that lumber is purchased by Canadian mills at about one-tenth the price that American sawmills have to pay for trees in the United States. That is why we are upset. It is not just that the Canadians are allowed to purchase lumber at one-tenth of what American sawmills are allowed to purchase lumber. It is also that the Canadian price is low because Canada subsidizes the sales of timber to its sawmill workers, and to its sawmills in Canada.

Over the last several weeks, U.S. negotiators have been pressing their Canadian counterparts to resolve this issue, and to eliminate their subsidies. And today 41 Senators rise to tell the Canadians to get serious about these negotiations, to resolve them because, if negotiations are not resolved, not only will tensions rise between our two countries but other serious negotiations between our two countries will be jeopardized.

We are all today speaking out with a single voice. We are all saying to the Canadian Government, "Resolve the timber issue—now."

CANADIAN LUMBER IMPORTS

Mr. BAUCUS. Mr. President, I join my colleagues in decrying the Canadian softwood lumber imports problem.

Mr. President, our mills are modern and efficient.

Nevertheless, the U.S. lumber industry has become a victim of the international trade war.

Since 1980, the industry has gone from a $400 million trade surplus to a $2 billion trade deficit.

This has had a devastating effect.

U.S. sawmills are operating at only 83 percent of capacity.

In 1984, U.S. companies reported pretax losses of over $300 million.

And 629 sawmills have closed and 30,000 U.S. lumber industry workers have lost their jobs since 1977.

The overvalued dollar is a large part of the problem. But so are unfair foreign trade practices.

The United States industry has been inundated by subsidized Canadian imports which have risen from 19 percent of United States consumption in 1975 to about 33.5 percent now.

UNITED STATES-CANADIAN NEGOTIATIONS

Mr. President, the administration currently is negotiating with the Canadians to resolve this issue.

The negotiators have met twice. They will meet again here in Washington on March 10.

The Senators assembled here today want to send a loud message to the Canadian negotiators on March 10.

That message is, "Resolve the lumber issue now!"

This Congress will not stand for repeated foot-dragging in these negotiations.

It will not stand for more lost jobs in the lumber industry.

And it will not stand for continued subsidies to Canadian lumber imports.

We have had enough!

LEGISLATIVE ACTION

If Canada fails to resolve this issue through negotiations, Congress will be forced to act.

First, failure to resolve this issue will certainly affect the proposed United States-Canadian free trade agreement.

The Canadians tell us they want free trade. Yet they continue to grant subsidies to lumber industry in violation of every rule of free trade.

They cannot have it both ways. If they expect the United States to enter

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a free trade agreement, they must engage in free trade.

That is why I and nine other members of the Senate Finance Committee have told Ambassador Yeutter that we want this lumber issue resolved before the United States begins negotiations on a free trade agreement.

I am optimistic about the benefits a free trade agreement might bring, but I cannot support such an agreemnt, so long as subsidized Canadian lumber makes a mockery of free trade.

CANADIAN SUBSIDIES

Let me explain why these imports are unfairly subsidized.

In the United States, about half the softwood lumber comes from public land. The price for cutting rights, which is called stumpage, is set by either an open auction or competitive bidding, and naturally rises to the fair market level.

In Canada, about 95 percent of the softwood lumber comes from public land, but the pricing system is very different from ours. A handful of huge companies have monopoly leases over vast tracts of timberland. From time to time, the Government sets a stumpage price.

There is no auction, no bidding, no competition.

As a result of this cozy system, Canadian sawmill operators can buy stumpage for about one-tenth what United States operators can.

Mr. President, that practice violates every free trade principle we have tried to instill in the world's trading system.

THE 1983 DECISION

The Canadian system gives Canadian producers an unfair advantage over United States producers, because the Canadian Government provides them with raw materials at a fraction of the market price.

In 1983, a coalition of United States sawmill operators brought a countervailing duty petition, charging that the Canadian system constituted an illegal subsidy under United States trade law.

But the Commerce Department rejected the coalition's petition.

The linchpin to the Commerce Department's decision was the legal holding that stumpage was "generally available" throughout the Canadian economy because it was provided to the furniture industry and other wood products industries.

Mr. President, this is a cramped, unreasonable interpretation. I have looked at the GATT, the subsidies code, and our own CVD law from every possible angle, and I cannot find this "general availability" test anywhere.

And even if it does exist, it makes no sense to interpret "general availability" as broadly as Commerce did in the softwood lumber case. As trade law expert Gary Hufbauer has said:

Neither in practice nor intent were cheap stumpage rights in Canada . . . generally available.

Mr. President, last October, the Court of International Trade issued the Cabot decision, which directly calls into question the Commerce Department's interpretation of the "general availability" test. In Cabot, the court agreed that there is a general availability test, but that the Commerce Department has applied it too broadly. The court said that:

The distinction that has evaded the [Commerce Department] is that not all so-called generally available benefits are alike—some are benefits accruing generally to all citizens, while others are benefits that when actually conferred accrue to specific individuals or classes. Thus, while it is true that a generalized benefit provided by government, such as national defense, education or infrastructure, is not a countervailable bounty or grant, a generally available benefit—one that may be obtained by any and all enterprises or industries—may nevertheless accrue to specific recipients. General benefits are not conferred upon any specific individuals or classes, while generally available benefits, when actually bestowed, may constitute specific grants conferred upon specific indentifiable entities, which would be subject to countervailing duties.

The appropriate standard focuses on the de facto case by case effect of benefits provided to recipients rather than on the nominal availability of benefits.

Consequently, the court remanded the case to the Commerce Department for reconsideration.

This decision makes good sense. As Gary Hufbauer says:

The general availability standard should be used sparingly to excuse only those incentives that in practice and design are used by a broad range of industries and geographic areas. Otherwise, the international community risks taking countermeasures against little subsidies while big subsidies run free.

Mr. President, the Commerce Department's broad general availability rquirement has done exactly what Hufbauer warned against, thereby permitting Canadian lumber subsidies and Mexican natural gas subsidies to run free.

By reversing the Commerce Department, the Cabot decision restores our countervailing duty law to the scope Congress intended. For this reason, I urge the administration to adopt the reasoning of the Cabot decision in future countervailing duty litigation.

THE ITC REPORT

Mr. President, last October, the International Trade Commission issued a report on conditions relating to U.S. softwood lumber imports.

That report confirmed what we believed all along.

Mr. President, that report confirmed that Canadian stumpage prices generally have been much lower than United States prices. It notes that:

Since 1982, stumpage prices . . . have fallen and stabilized at a point where United States prices are roughly 10 times the Canadian price.

Mr. President, let me repeat that statistic, from page 59 of the ITC report, United States prices—which are set in a free, competitive marketplace—are 10 times Canadian prices.

The report also undercuts two main Canadian arguments.

First, the report shows that the high value of the United States dollar has not had nearly the impact the Canadians have claimed, rising by only 8.5 percent against the Canadian dollar from 1978 to 1984. What is more, the real value of the Canadian dollar has remained relatively constant since the end of 1978, but the Canadian share of the United States market has risen by more than 12 percent.

Second, the ITC report shows that the noncompetitive Canadian system gives Canadian producers an advantage even after logging costs are added.

The Canadians have repeatedly asserted that a comparison of delivered logs costs would show that Canadian prices were no lower than United States prices. To the contrary, the ITC finds that Canadian delivered log costs average $28 less than United States costs, and are $59 less in the comparable northwest and coastal British Columbia markets.

Mr. President, this delivered cost advantage is a direct result of the Canadians subsidy. And it is the fundamental reason that Canadian producers can charge from $23 to $76 less than United States producers can for similar lumber.

PRODUCTIVITY

Mr. President, when the ITC report was issued, the Canadians crowed that the report showed that the Canadian industry is more efficient than the United States industry, primarily because productivity statistics showed that Canadian workers produced significantly more board feet of lumber per worker than American workers.

However, these statistics were just plain wrong. Our trade representative, suspicious that these statistics might be inaccurate, asked that they be renewed. In response, the Commission issued a revised productivity report. This report reduced the productivity differential between United States and Canadian workers. What is more, it concluded that in four Northwest States where product mixes and production levels are similar—Washington, Oregon, Montana, and Idaho—productivity was "about equal" to productivity in British Columbia.

CONCLUSION

Mr. President, the Canadians are using bargain-basement Government resources to expand their market share.

I call that a subsidy.

And I think that we ought to do something about it.

United States negotiators currently are negotiating with the Canadians to counter these unfair subsidies. I encourage the administration in these efforts, as do all my colleagues who speak today.

Otherwise, we must forge ahead legislatively to close the natural resources subsidy loophole and put

United States producers back on a fair footing.

Mr. President, I look forward to hearing from other Senators. I see the distinguished Senator from Idaho is on the floor. I also see that my leader, Senator BYRD, is rising.

Mr. President, I reserve the balance of my time.

Mr. BYRD. Mr. President, will the distinguished Senator yield 3 minutes to me?

Mr. BAUCUS. I yield.

LUMBER EXPORTS: SENATOR BAUCUS' LEADERSHIP

Mr. BYRD. Mr. President, in October 1983, I offered a successful amendment to provide Federal support for a lumber export program for the State of West Virginia. As one of the top 20 lumber-producing States, West Virginia employs more than 5,000 people in lumber-related jobs. Between 1976 and 1980, West Virginia lumber exports more than doubled. As a result of my amendment and the leadership of then-Governor Jay Rockefeller, trade missions from West Virginia began to extend sales of the State's hardwood and softwood products to new markets, including Pacific rim nations.

The people in West Virginia who depend upon expanding sales of the State's great renewable resource want to increase trade in lumber products. They know the value of fair and open markets for their excellent hardwood and softwood products, and they are willing to compete with the rest of the Nation—and the rest of the world—in the sale of these products.

Unfortunately, West Virginians find that they are not competing against foreign producers, but against foreign governments. The International Trade Commission reported that Canadian softwood lumber benefits from subsidies from Canadian provincial governments. Some 90 percent of the timber sold in Canada is controlled by the Government and sold under a system of artificial prices.

Mr. President, I want to commend Senator BAUCUS for his work in keeping attention riveted on this problem. His advocacy on the part of the people of his own State has raised this issue to an appropriate level of national attention. He has performed a service for all of those Americans who depend upon the forest products industry which is an important industry in my State as well for their livelihood.

Here is an example of a product in which the United States enjoys a clear comparative advantage but is losing out to foreign goods because the foreign government chooses to engage in anticompetitive prices.

As many of my colleagues know, the United States and Canada are considering a free trade agreement. Our two great nations enjoy the largest trading relationship in the world. My own State has a strong, positive balance of trade with Canada. An agreement to provide for further opening of markets could be of great benefit to both economies not only of Canada but also the United States and particularly, may I say, West Virginia. But the practice of subsidizing lumber could undermine those negotiations.

I hope and trust that the Canadian Government will take the concern expressed by Senator BAUCUS and his colleagues into consideration as we begin to build a foundation for a new and broader approach to trade with Canada. Senator BAUCUS has a solid record in support of open and growing trade between the United States and Canada. His leadership on the lumber issue is a natural extension of his continued support for the strongest possible United States-Canadian relationship, based on deeply shared interests and mutual advantage.

I thank the Senator for yielding. I thank him for the leadership that he has demonstrated, and continues to demonstrate, in this important subject area.

Mr. BAUCUS. Mr. President, I very deeply thank the Senator from West Virginia. I think the Senator's statement shows that this is a truly national issue; that is, it is not a regional issue. Virtually every State in our Union is affected by Canadian subsidies, and the timber that is exported from Canada into the United States puts our sawmill workers out of work, and jeopardizes our mills.

I very deeply thank the Senator from West Virginia.

Mr. BYRD. I thank the distinguished Senator.

RECOGNITION OF SENATOR MC CLURE

The PRESIDENT pro tempore. Under the previous order, the Senator from Idaho, Mr. MCCLURE, is recognized for not to exceed 15 minutes.

Mr. MCCLURE. Mr. President, I, too, want to join my distinguished colleague from West Virginia in expressing our thanks to the Senator from Montana for his diligence and leadership on this issue, an effort which I have shared with him since near the beginning of this controversy.

I want to underscore what he has just said, that this is a national issue, not just a regional issue as far as those of us who may come from the Northwestern part of the United States are concerned.

I recently visited a lumberyard, a specialty lumberyard, in Arlington, VA. I could not help but note that ever piece of prepackaged lumber of specialty wood products in that yard came from British Columbia, clear across the continent. I believe we can all cite examples such as that.

Mr. President, I want to thank my colleagues who have taken time from their busy schedules to join me today on the floor to address the problems Canadian timber imports pose for the United States timber industry.

The dumping of inexpensive Canadian lumber into United States markets continues at an unprecedented rate. Census Bureau figures for 1985 show that Canada flooded our markets with more than 14 billion board feet of Government-subsidized lumber. This represents an increase of 1 billion board feet—nearly 10 percent over 1984's record levels.

The results of this dumping are decimating the U.S. industry. Sawmills are closing, putting people out of work and sending economies into tailspins. In my home State of Idaho alone, the last 6 months have seen three mills close, some temporarily, putting over 3,000 people temporarily or permanently out of work. Idaho depends on natural sources for employment and economic stability. Similar stories can be heard in Northeast States and my neighboring Pacific Northwest States.

Action must be taken soon before U.S. timbermen have reached the point of no return. The solution is clear. Canada must voluntarily cut back the amount of timber it exports to the United States, or the United States must limit the amount of timber it imports from Canada.

Do not get me wrong. I am not asking for protectionist legislation. I am asking for fair trade. Our free trade practices are not working. The U.S. timber industry is not on the same playing field as their subsidized counterparts. The Canadians are playing on Astroturf, while we are playing on a muddy, grassless playground.

If this country is to continue advocating—and practicing free trade—then it should demand that other nations play by the same rules. We cannot continue to permit countries who are subsidizing their industries to have unencumbered access to our markets. By doing so, we are exporting jobs and money.

And it affects more than current markets. It also affects expansion and investment. Just look at the recent deal which will see a United States-based corporation build a $40 million, 400-job waferwood plant in British Columbia. A site near a railroad, a guaranteed 20-year supply of raw material, and a 25-year loan—the first 3 years interest free—formed a $10 million incentive to locate in Canada instead of the United States.

To the Reagan administration's credit, talks with Canada on the lumber issue are underway. Unfortunately, nothing substantive has so far been borne from them. I might add that only recently have we received constructive help from the administration in dealing with the situation—and I thank Secretaries Shultz and Hodel for that.

It is important the administration recognize the fact that by threatening to veto legislation on the matter, they effectively bind our negotiators' hands. If the Canadians know we are not going to act, why should they?

We do, however, hold a trump card. Seemingly oblivious to the hardships their actions are placing on our industry, Canada has asked the administration to participate in a round of talks

on expanding free trade. The Senate, beginning with the Finance Committee, must express its approval before those talks begin. I am confident my colleagues on the committee will take into consideration the contempt that has thus far been shown to Congress and to the people who depend on the forest products industry for their livelihood.

My constituents and the constituents of other timber-dependent States are demanding accountability on this issue from the administration and the Congress. They deserve results. It is time to stop playing cat-and-mouse games and resolve this alarming state of affairs.

As neighbors and allies, we would hope that Canada would take action on its own. But their refusal to act after repeated talks indicates that we in the Congress are probably going to have to solve this problem ourselves. Today's discussion in the Chamber, I believe, will underscore the fact that we mean business, and that the time for us to act is drawing near.

Mr. DOLE. Mr. President, we all know that the U.S. trade deficit reached an all-time record last year of $150 billion. Some think it may grow even larger this year in spite of the fact that the U.S. dollar has weakened against many foreign currencies.

But one currency that has not strengthened against the U.S. dollar is the Canadian dollar. In 1985 the United States recorded a trade deficit with Canada of over $22 billion. While much of this deficit did reflect the strong U.S. dollar, the flood of Canadian softwood into this market has little to do with the relative value of our two currencies.

Since 1975, shipments of Canadian softwood lumber to the United States have nearly tripled so that today, Canada controls over one-third of the U.S. lumber market. From 1977 to 1984, the United States lost a net 629 softwood lumber mills, while Canada added 85 • • • and more U.S. mills closed in 1985. Yet, while Canada captures more and more of the U.S. market, it is the U.S. lumber manufacturer that has the natural comparative advantage.

U.S. forests are more productive than Canadian forests. U.S. mills are closer to the market. United States and Canadian mills producing the same product are almost equally efficient and U.S. wage rates are lower. There is one primary reason why Canadian softwood lumber has added over $2 billion to the United States trade deficit: Canadian lumber manufacturers enjoy huge timber subsidies.

In Canada, almost 95 percent of the commercial forestlands are owned by the provinces. The timber of that forestland is virtually given away to Canadian lumber mills to promote Canadian lumber production and the concomitant employment. That Canadian employment, however, is at the expense of U.S. employment. U.S. mills which must pay a competitive price for timber simply cannot compete against the Canadian timber which is given to Canadian producers at far less than a fair market value.

Now, I know the Canadians argue that there is nothing illegal about the pricing practices. Well, let me say that this is not a legal problem. Americans are losing jobs as a result of the Canadian practices. And whether or not Canada can devise a technical defense of its practices, it is clear that they should consider the political consequences of their action. A lot of my colleagues are getting pretty tired of hearing foreign governments lecture us about the principles of free trade while these same governments promote practices which interfere with the free market and throw Americans out of work. This is not a time for Canada to hire lawyers, public relations consultants and others to put a respectable face on its timber practices. I hope the Canadian Government will instead put its energies into finding an amicable solution to this problem. For my part, I intend to work with my colleagues to provide the U.S. timber industry with a fair chance to compete.

Mr. McCLURE. Mr. President, I ask unanimous consent that the time remaining under my special order and the special order for Mr. DOLE be given to Mr. BAUCUS and made available to Senators who wish to speak on the topic of Canadian timber.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, again I express my thanks to the Senator from Montana for assisting the leadership in this matter and for his role here on the floor today in our discussion of this topic.

Mr. BAUCUS. I thank the Senator. The Senator from Idaho has introduced bills and sponsored legislation on this subject. We have worked together with the leadership setting aside this time this morning. The Senator from Idaho has perrformed yeoman service in this matter.

I also want to thank the Senator for drawing out a very important point. We are not advocating a protectionist measure. The point is that we want free trade. We are not getting free trade. We want free trade. We want Canada to practice free trade. Because Canada is subsidizing its product below market value, it is Canada which is not practicing free trade.

We, as Americans, are willing to compete freely with Canada so long as Canada does not subsidize, so long as the Canadian logs sold to mills in Canada for purchase in the United States are freely available to everyone, whether they be in Canada or the United States, so long as Canada is not subsidizing the sale of timber to its mills. That is the critical point.

Mr. President, we are going to do whatever it takes to ensure that Canada is practicing free trade and not practicing protectionist measures, in this case subsidies.

I thank the Senator for drawing that out.

Mr. McCLURE. I thank the Senator for making that comment. We must underscore again and again that point. If this were a matter of free competition in which all the players had equal access to timber at competitive prices, if they all had the same opportunities for transportation and market price, if they all had the same opportunity for financing and modernizing mills without the kind of practices we are confronted with in Canada, we could compete. But we cannot overcome all of the subsidies the Government of Canada has practiced and still maintain our market against a floor of timber being subsidized and flowing into this country. They must stop and if they do not stop, we must stop them.

I thank the Senator for his comments.

I have joined with the Senator in sponsoring legislation that he has introduced. I will continue to do that. I will introduce legislation on my own, whether it be a tariff and what kind of tariff, or whether it be a quota and what kind of quota. I am not wedded to a particular piece of legislation. I am trying to find a solution. If the Canadians will not act, we must.

I again thank the Senator for his comments and for his involvement in this issue.

Mr. LONG. Mr. President, will the Senator yield for a moment?

Mr. BAUCUS. I am happy to yield.

Mr. LONG. Mr. President, I have no objection to the administration proceeding to negotiate a free trade agreement with Canada. However, that does not mean I have no concerns about our trade with Canada.

I believe our trade with Canada under the bilateral trade agreement should be subjected to stricter rules than we can ever achieve in the multilateral system known as GATT, or the General Agreement on Tariffs and Trade.

That multilateral system is so vague and general and is subject to such wide interpretation that any idea of enforcing a system of market-oriented trade agreements under it is just about impossible.

The United States has more trade with Canada than with any other country in the world. It is, therefore, important that we try to get more discipline in the trade rules than apply to trade with Canada than we are able to get on a multilateral basis. I have hope of getting the Government of Canada to agree to trade rules that are consistent with those we have learned to live with in the United States.

One of the areas in which we will have to work toward some form of agreement is in limiting imports of subsidized lumber from Canada.

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The production of lumber is extremely important in my State. I have visited the Manville plant in Monroe, LA, and I can assure you that it is a very modern facility. However, it cannot compete with lumber shipped all the way from Canada, and the reason is that Canadian trees are mostly owned by the Provincial Governments, who make them available to mills in Canada at very low prices.

Senator BAUCUS and I have cosponsored a bill to deal with this and a number of other natural resources subsidies. Such subsidies hurt the cement industry in Texas; the lumber industries in Oregon, Montana, and Georgia; and the chemical industries in Louisiana and Delaware.

I am not talking just about the Canadian subsidies but those of our trading partners generally.

Essentially, the idea of our bill is that natural resources are subsidized if they are sold below the fair market value of that commodity. Fair market value is simply what a willing buyer would pay a willing seller in an arms-length transaction. It has long been U.S. law that if an imported product is subsidized, then the United States should place an offsetting duty upon the importation of that product.

So I am happy to join with Senator BAUCUS and others in expressing concern about imports of lumber from Canada. We need to arrive at a good bilateral agreement with Canada, one that expands trade between the two economies on a basis that is fair to both countries. Resolving these problems over subsidized Canadian lumber is, I believe, an essential element of any trade agreement.

Mr. BAUCUS. Mr. President, I thank the Senator from Louisiana for his statement. It draws out an important point; that is, natural resource subsidies that exist, particularly those of Canada and Mexico, to the detriment of our country. He and I are jointly cosponsoring legislation to make that natural resource subsidy—timber in the case of Canada—a countervailable duty. That is, under our countervailing duty laws, the lumber from Canada's natural resource subsidy that is imported into the United States is subject to our countervailing duty laws. Once the proper tribunal in our country finds it is a subsidy, that the subsidy substantially contributes to the detriment of the interests of American producers, then that is countervailable and the duty can be applied.

I thank the Senator for joining me and cosponsoring and working with legislation that draws that out, because it is an area of international trade law that has to be resolved.

Mr. LONG. Mr. President, the Senator knows that in negotiating with Canada, down through the years, we have repeatedly, from our point of view, permitted the Canadians to get the best of us on the theory that Canada is a good friend and trading partner and very important to the United States and, in view of our close relationship and high admiration—even our love—of the good Canadian people, who have been our friends in time of adversity, through thick and thin, and whom we appreciate very much, we should let them have advantages that we would not permit as far as the world in general is concerned. But as far as natural resources are concerned, Canada is a very, very large country.

I do not have available to me at this moment a comparison of the size of Canada and the amount of timber, oil, and gas, for example, that they have compared to the United States. But they compare very favorably to the United States in those areas. They have huge amounts of natural resources, much of which have not been completely developed as yet. For us to let the Canadians get the best of us in that area, for us to stand still while they discriminate in taking our markets for natural resources, is almost to commit a death sentence for many of our efficient operations in the United States.

We would not be representing our constituents, we would not be representing those who pay taxes to support this Government if we stood still for the kind of discrimination we have been suffering down through the years.

The Canadian provinces make their timber available off their Government land for practically nothing, while it costs a good deal for people to harvest timber off public or private land in the United States. All we want is equal treatment.

You have to compare this, just to illustrate the problem, to the football leagues. Some people have been urging that we have a common market on oil, a common market on gas, and certain other things. That is fine if you are both playing by the same rules. But if you are playing football with Canada and they are allowed to have 12 people on the field and you have only 11, if you have any team worthy of the name our there, that 12th man will kill you because you do not have anybody to cover him. We simply have to insist that we play by the same rules. If we do that, there is no reason why both countries cannot profit.

I am sure the Senator agrees with me, we want Canada to profit, we want to trade to our mutual advantage. But the United States has permitted our friends to victimize us to the point that we as a country have to look after our own people. Failure to do that, may I say, is going to cause our own people to send somebody here who will, and we do not want that to happen.

Mr. BAUCUS. Mr. President, I thank the Senator for his tremendous contribution and for his presence on the floor to point those things out. It again shows that this is a national issue, not a regional issue.

Mr. President, I yield to the Senator from Arkansas [Mr. PRYOR].

The PRESIDING OFFICER Mr. (ADDNOR.) The Senator from Arkansas.

Mr. PRYOR. I thank the Senator from Montana for yielding to me at this point. I want to take this opportunity to commend the junior Senator from Montana for bringing this matter to our attention at this time. I think this special order is constructive. I think it is overdue. I commend him for his leadership in this area.

Mr. President, 30 years ago, in 1956—I believe it was 1956—it was at the Democratic National Convention in Chicago, Illinois. I know that the Senator from Montana is too young to remember the national convention of 1956. He is too young to recall the keynote address of that convention. It was given by the late Frank Clement, the Governor of Tennessee. Frank Clement went to Chicago and he rehearsed and got his speech down just right, but, Mr. President, I cannot remember but one line. I was sitting in that convention as a page or something like that. Anyway, I went to my first convention, and the Governor of Tennessee, Governor Clement, made a speech, and the only line of that speech that I can remember is, "How long, oh, America? How long, oh, America?"

When I think about the Canadian imports and what is happening to us in the world of trade, I somehow hear those words reverberate once again in my mind: "How long, oh, America?" How long will it be until we wake up, how long will it be until we do something constructive to protect our timber industry.

Mr. President, something must be done about the rising Canadian softwood lumber imports into the United States and the severe damage these imports have inflicted on the U.S. lumber industry in recent years. I would like to give the Senate a brief look at the devastating impact these imports are having on our U.S. wood industry and our local economies.

Year 1984 was a moderately strong one for lumber demand, with 1.75 million housing starts in the United States, and one would expect that America's wood products business would have prospered accordingly. U.S. lumber mills, however, operated at only about 80 percent of capacity, with over 13 billion board feet of Canadian softwood lumber imports account for nearly one-third of U.S. consumption. The U.S. industry sustained pretax losses exceeding $300 million, largely because depressed prices and curtailed operations caused by high levels of Canadian lumber imports. Because of this factor and other losses suffered since 1980, major U.S. wood products manufacturers announced shutdowns and took write-offs totalling more than $600 million. According to the forest products industry, over the last 5 years domestic firms lost

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more than 30,000 jobs, of which 22,000 can be attributed to increased Canadian lumber imports.

Over the past decade, Canadian lumber imports have increased from 19 percent to 34 percent of total U.S. softwood lumber consumption. This huge penetration of the U.S. market has occurred in all regions of the country and in some very unlikely States, far distant from Canada, such as Florida, where nearly 60 percent of the lumber consumed is Canadian, or Georgia, where Canadian imports are 50 percent of consumption.

My constituents from Arkansas have been letting me know of their very strong concern.

From Gurdon, AR, comes a letter which states:

The U.S. lumber market is being devastated by flood-level Canadian imports. The reason? The Canadian government sells its producers raw materials at virtually no cost. We can compete with any country's forest industry head to head. But we can't compete against their governments.

Another correspondent from south Arkansas says:

Having been born, raised, and now making my living in Arkansas, I am very much aware of how dependent this area is upon the lumber industry. It is a necessity for any type of economic continuance for this area, as well as the State of Arkansas, and other areas of our country.

From Harrison, AR:

As helicopter pilots, we work closely with the forest industry in the South, the Lake States and the Northeast. I was optimistic earlier this year when I heard of an increase in housing starts, knowing this should mean an increase in lumber demand. However, my optimism was soon dimmed, when I was informed this increased demand would not help our U.S. producers, but instead would increase Canadian imports. . . If something doesn't happen, you will see logged areas return to a brushy situation, rather than become the beautiful pine plantations we seem to have taken for granted.

From the mayor of Monticello, AR:

As you know, Drew County depends on the lumber industry for its economic stability. The timber industry provides the largest payroll in our county. I have talked to a number of the lumber companies and have found that some companies are being eliminated by the imports of Canadian lumber. One of our lumber mills, Selma Timber Company, has had to close due to this situation.

Finally, from Emerson, AR:

I work in the forest product industry as manager of a plywood and lumber complex in Emerson, AR. I know for a fact that Arkansas and Louisiana forest product workers are just as productive and even more productive than our counterparts in Canada. The only reason we are not able to compete is the Canadian government subsidy

Mr. President, this trade imbalance is not simply a matter of a strong U.S. dollar or competitive advantage in favor of the Canadians. The problem is largely due to the Canadians' stumpage rate, that is, the price of standing timber.

Nearly all Canadian timberlands are Government-owned, and we believe that the stumpage is sold at arbitrarily low prices by the Government to ensure mill operations and provide employment. These bargain basement prices essentially give Canadian lumber a price advantage in nearly every market in the United States, despite the great distances often needed to transport this product to the customer.

We believe that this continued upward surge of Canadian lumber imports caused by Canadian Government action will continue, unless checked by our own Government. If the problem goes unresolved, a depressed wood products industry will continue to take multihundred million dollar losses, many more mills will close, and thousands of additional jobs will be lost. Moreover, sawtimber prices will drop to a level at which intensive forest management, which has helped make the United States the woodbasket of the world, may well have to be abandoned. This could reduce the quality and quantity of wood fiber grown in our country, with a significant adverse impact on our industry. The industry predicts that an additional 15,000 forestry jobs could be lost.

Along with Senator BAUCUS and several other Senators, I wrote to U.S. Trade Representative Clayton Yeutter to let him know that I did not think I could support a United States-Canada free trade area unless and until the stumpage issue had been resolved. I was very pleased that Ambassador Yeutter agreed to try to reach an agreement on that issue separately so that we can take a more sympathetic look at the whole Canadian package.

Mr. President, the most striking example of the effect of Canadian subsidies can be found in Prescott, AR, which is located in the far southern end of my State. There they have a modern, automated and efficient mill that manufactures lumber from the pines that grow abundantly nearby. In 1985 a motel was built within shouting distance of that sawmill, with lumber manufactured by Olympic Forest Products of Vancouver, British Columbia. The contractor said the only reason he used Canadian lumber was its low price. He paid $13 less per thousand board feet for stud lumber than the price at the loading dock of the mill right there in Prescott.

When you see a situation like that, you know that market forces have not been allowed to work freely and that Canadian prices are unnaturally low.

The administration recently began discussions with Canada over problems in the wood products industries in both countries and the issues of Canadian imports and stumpage pricing practices. If the administration and the Canadians cannot come to a reasonable agreement on these issues, then the Congress may take the matter out of their hands and approve legislation to achieve fair trade.

Mr. President, again I harken back to the words of the late Frank Clement of Tennessee when he asked, "How long, oh, America?" I ask that same question, Mr. President: How long are we going to allow these Canadian imports to come into our country and totally deplete the forest and lumber industry of America?

Mr. President, I yield back the remainder of my time and again commend the Senator from Montana.

Mr. BAUCUS. Mr. President, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise today to call attention to the unfair situation confronting our domestic timber industry.

Mr. President, those involved with the timber industry manage one of our greatest natural resources: the American forests. Many individuals, particularly in rural America, are employed by the timber industry. Loggers, often in remote areas, harvest the trees; truckers transport the logs over frequently difficult terrain; and workers in sawmills process the lumber, which then goes to the lumberyards where it is distributed for a variety of uses. Over 700,000 people nationwide are employed in this industry. In fact, for every one logger, there are three to four jobs generated in the processing of timber.

Timber is essential to our housing, wood products, and paper industries, and is a component used in many other manufacturing processes. It is critical to our economy that we maintain a vital domestic timber industry.

Unfortunately, Mr. President, our domestic timber owners, the loggers, and all those others involved with the industry, are threatened by subsidized imports of both raw and processed timber from other nations, especially Canada. The situation is particularly acute in the northwestern region of the country, where employment in the industry dropped 25 percent from 1977 to 1982. This dangerous situation has also spread to other parts of the Nation. In South Carolina, Canada had over 40 percent market share of the timber industry in 1981. From 1981 to 1982, Canadian imports to South Carolina increased by almost 12 percent. Nationwide, Canada has captured over 30 percent of our domestic market.

Practices of the Canadian timber industry have created and exacerbated this trade situation. The Provincial and Crown Governments of Canada own nearly all Canadian timberland. These governments lease vast acreages of timberland to mills for 20 to 25 years per lease. Over the life of the lease, the total cost of timber is actually very low. Furthermore, in Canada, many sawmills were built using guaranteed loans or outright grants from the Provincial or Crown Governments.

In the United States, on the other hand, 7 out of every 10 acreas of timberland that is harvested for commercial use is privately owned. Landowners here invest their land and mone-

tary resources for years in order to produce sellable timber. They comply with strict laws and regulations to protect the environment, which are often expensive to implement. Furthermore, timber purchasers in this country bid for the right to cut federally and privately owned timber.

According to the International Trade Commission (ITC), in 1984, the cost of lumber in Canada was $10 per thousand board feet. This same ITC report estimated the cost of U.S. lumber at over $100 per thousand board feet. Mr. President, the relatively low value of Canadian lumber due to direct and indirect Canadian subsidies, combined with the low value of the Canadian dollar as compared to the U.S. dollar over the last few years, are forcing many of our logging operations, sawmills, and lumberyards out of business.

Earlier this year, the administration began talks with Canada concerning the current trade situation between Canada and the United States. Both sides would like to institute a "free trade zone" between the two countries. Any such agreement, however, in my opinion, should include a resolution of the unfair trade practices affecting our timber industry. I urge the administration to negotiate with Canada on this issue.

If the negotiations are not successful, S. 982 and S. 1224, currently pending before the Senate Finance Committee, should be considered by the Senate. S. 982, the Wood Products Trade Act of 1985, would authorize the President to enter into agreement with Canada to reduce imports of softwood lumber through voluntary restraints or elimination of subsidies. If such an agreement is not reached, the bill would provide for the imposition of a duty on Canadian softwood lumber. S. 1224, the Softwood Lumber Stabilization Act of 1985, would limit imports of softwood lumber according to historical percentage, depending on U.S. consumption. If the President cannot reach a favorable agreement with the Canadians in the current trade talks, the Senate should act on one of these measures.

This Nation needs a strong domestic timber industry, in all stages of the process, from harvesting the trees to the sawmills and the lumberyards. I urge my colleagues to closely follow the ongoing negotiations with the Canadians on the timber issue, and to keep this industry in mind should any "free trade agreement" with the Canadians be considered by the Senate.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I thank the Senator from South Carolina for his superb statement.

I yield to the Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. I thank the Senator for yielding to me.

Mr. President, I want to give a personal illustration. I live in east Mississippi, where we have many pine trees, large and small. I have lived there all my life, and I know the ups and downs of the timber and pulpwood industry. I have known of the good business we had there until fairly recently, when upheaval came and drove into bankruptcy some of the operators in the local market and closed down a high percentage of the local manufacturing units, large and small.

This is a devastating thing and is traceable directly to people who have been our friends, and I think they are still friendly. I have the kindest feeling and respect for the Canadian Government and their enterprises. But we have reached the point now in this industry where something meaningful must be done.

When I first discovered the downturn in the lumber products industry where I live and where I know the people who are engaged in it, I thought that the entire cause was a reduction in the home building industry. Certainly, that did have an effect years ago; but when the housing industry picked up, I continued to call for a report, and the demand for lumber had not increased as I had expected. I had expected those lumber products industries in Mississippi to increase tremendously, but that did not happen.

On close examination of the issue, I have discovered that while the U.S. lumber products industry had declined, imported lumber products from Canada had increased from a 19-percent share of the U.S. market to more than 30 percent in less than a decade.

Those figures have great meaning and they are accurate and are given for the entire industry. When I asked why, I found out that a businessman in Canada can cut a tree, process it into lumber products, and transport it to a dealer in Mississippi at a lower cost than a lumber mill in the same county as that dealer can deliver it to him.

There are certainly several reasons for this less expensive Canadian product, but only two that have a significant impact on fair competition between producers in Canada and the United States. The first reason is one which has affected not only forest products but also all imported and exported products—the strength of the American dollar. For a while, that was perhaps the primary reason for our losses in world trade. Canada was able to provide much more lumber for a U.S. dollar than a U.S. producer could. However, with our efforts to reduce the deficit, interest rates have dropped and the exchange rate has improved, so that this is no longer the primary reason why Canadian lumber producers still hold such a large share of our domestic lumber markets.

This leaves us with one major reason for the strong position of Canadian producers in our markets, and that is the reason why we are discussing this matter today. The Canadian Government owns most of the forests in Canada and makes them available to their lumber producers at a minimal cost, while most of the U.S. forests are owned by private individuals or industry, and the cost to cut trees here is much higher than in Canada. This Canadian Government subsidy puts their producers in an unfair position in our domestic markets.

There have been feeble efforts by the U.S. officials to work out an agreement with the Canadian Government that would be fair to all, but they have produced no results of significance. It is time that we get more serious about this grave problem.

I know of people who have these little businesses in which they buy pulpwood. I know one little lady who lives within 2 or 3 miles of me. She took the lead years ago in a small pulpwood business. She has been industrious and frugal and careful and worked hard and has expanded, and now her business has grown to where she has some of the larger trucks that cost thousands of dollars, for which she paid mostly cash. Now, almost all of a sudden, the bottom has fallen out of the market. The prices have changed, as I have indicated, and it has left her, not bankrupt, but stranded and very materially injured in her business, and she will not be able to withstand the storm much longer.

There is private enterprise there that I, personally, know about. I know her record and I know how frugal and industrious she is. When she is affected this way I know it is a real genuine case where something has to be done to save the situation.

I would prefer that the administration work with Canada to find a solution, but I am prepared to support action here in Congress for a solution that does not now seem to be forthcoming otherwise. I hope that our efforts here today provide incentive for the President and our Trade Representative to move forward.

In the event this does not happen, I think there is nothing left that we can do except for Congress to take prompt action to provide equity, for this important segment of our Nation's and Mississippi's economy.

Mr. President, I am not meaning to be unduly critical of any official who has worked on this problem. I know it is a problem for the administration, but my emphasis is that something must be done and something must be done soon. Otherwise, there is going to be a collapse of this industry. In the area that I am familiar with, it is a certainty. It is bound to come. And I think it will come elsewhere too. It will just be the same course, and it is of a magnitude and importance not only to the individuals involved, but to our entire economy.

It involves raw timber in all of the different kinds that one can classify it into and use it for. It is the backbone of our products of this kind in the

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southern area, the western area and also much in the east.

So it is one of those things when fairness compels us to act, not in an unfriendly way, in order to save this industry, in order to save business itself, and in order that things may move forward to be a positive factor in our economy rather than an injurious and a losing one.

I thank the Senator again for his leadership here. I appreciate his providing some time here for all of us who find ourselves confronted with this problem.

I certainly wish to do my part and I know others do, and we are going to dig and dig hard and keep hitting hard.

I thank the Senator again for his time.

Mr. BAUCUS. Mr. President, I thank the Senator from Mississippi. The Senator from Mississippi is one of the statemen in the Senate. He has a long-term view and a solid view. He has been a Senator and is a Senator that the remainder of us look to for advice because he is so deep and pervasive in his thinking.

I thank the Senator for his efforts here today and for his statement, and also the Senator's efforts here show this is a national issue. The State of Mississippi is very directly affected by the Canadian subsidy as well as most other States in the country.

I thank the Senator for his statement.

I yield to the Senator from Georgia.

Mr. MATTINGLY. Mr. President, I rise today to protest unfairly subsidized lumber imports from Canada. However, before I begin my remarks I commend the efforts of my colleagues Senator McCLURE, Senator BAUCUS, Senator THURMOND, and Senator PRYOR in organizing this bipartisan effort to convey our serious disappointment in the progress being made in negotiations with our neighbor to the north.

The problem of unfair lumber imports from Canada is of growing concern to the State of Georgia, my State, where forestry and related economic activities comprise a $8.6 billion industry employing 80,000 people. Though Georgia is the second largest timber producing State in the Nation, 50 percent of all lumber sold in the State is Canadian. The reason is fairly straightforward. Although United States companies maintain a competitive advantage over their Canadian competitors in the area of labor and transportation costs and are equally efficient, Canadians who export are able to purchase timber at subsidized, nonfree market prices giving them a price advantage in the United States market. I will go so far, Mr. President, as to say that I believe the Canadian stumpage system amounts to an unfair, selfish and destructive export subsidy. The predatory nature of Canadian lumber policies is apparent when, in an overcapacity environment, those policies both encourage rapid cutting and fail to provide adequate resources for reforestation. It has been estimated that Canada is losing a million metric acres of forest each year due to its failure to finance reforestation efforts. Some industry analysts are predicting a sharp falloff in Canadian lumber production in 10 to 15 years as existing forests are consumed. By that time the United States lumber industry, in the absence of a "level playing field," may well have been destroyed by Canadian competition. There is then the real possibility that the United States construction industry could find itself without a sufficient lumber supply as a result of Canada's blind desire to export as much lumber as possible now.

The problems of the American lumber industry are not new nor did they occur over night. For the past decade United States lumber producers have been losing market share to Canadian lumber firms. From 18.7 percent in 1975, the Canadian share of the United States grew to 32.7 percent in 1985. Today, almost two-thirds of the Canadian production is shipped to the United States. I note that the United States lumber industry has sought to address its problems through existing trade remedy channels for several and I commend this effort. I readily acknowledge that other factors, such as the high value of the United States dollar, have perhaps added to the advantage enjoyed by Canadian lumber. Let me point out, however, that the exchange rate imbalance has been partly offset by Canadian inflation rates which have been higher than those in the United States. We have watched as American sawmills closed throwing thousands out of work. In Georgia, we had 108 sawmills in operation in 1978. By 1984 that number was reduced to 89. In 1984, the six largest U.S. producers of forest products wrote off 551 million dollars' worth of milling facilities, equipment, and timber land. Since 1978, employment in the United States lumber industry has fallen by almost 30,000 workers, primarily as a result of unfair competition from Canadian lumber. And the situation continues to worsen.

I do not support protectionist measures. I remain committed to a global market system in which fair trade and equitable opportunities are the rule not the exception. However, unfair subsidization of an industry that offers that industry an explicit advantage over the same industry in another country is not fair trade and eliminates even the remotest possibility of equitable opportunity in the marketplace.

Mr. President, I cite the example of Georgia-based Georgia-Pacific Corp. Georgia-Pacific is not only one of the largest manufacturers of United States lumber but is also one of the largest importers of Canadian lumber. As both a manufacturer and importer, Georgia-Pacific had, understandably, remained neutral in this controversy and continued its support of policies and legislation that encourage fair trade. However, despite the fact that a reduction of Canadian imports could prove costly to Georgia-Pacific, Mr. Stanley Dennison of Georgia-Pacific testified before the International Trade Commission in July of last year that Georgia-Pacific "can no longer remain neutral * * * these imports have reached levels that are causing a liquidation of our U.S. industry." Mr. Dennison further testified that Canadian Government subsidies are "disrupting markets for our Nation's forest products industry and is not fair trade."

I have repeatedly urged United States trade officials to discuss the lumber problem at every opportunity with their Canadian counterparts. I believe that our representatives have made a good faith effort to resolve the problem through diplomatic and negotiating channels over the past several years. In discussions with United States trade officials, they have been unable to offer much that is positive other than the fact that United States and Canadian representatives have agreed to meet again next month. That does not hold out much hope. It is with regret that I say I no longer feel a negotiated solution is possible without further action by Congress and I am joined in that sentiment by a great many of my colleagues in the Senate. Failure to resolve this conflict with our largest trading partner could have a devastating impact on bilateral relations between the United States and Canada.

Let me close by saying that while I am committed to a positive solution to U.S. forest products trade problems, neither Congress nor the executive branch should stand by and watch another nation's unfair preferential treatment of its own industry harm ours.

Mr. BAUCUS. Mr. President, I thank the Senator from Georgia for his able statement.

I yield to another distinguished Senator, the Senator from Maine.

Mr. COHEN. I thank the Senator for yielding.

Mr. President, I wish to associate myself with the remarks of my colleagues in this colloquy this morning on the Senate floor. I guess my colleagues have probably heard me speak on too many occasions about problems that Maine and New England and other regions of this country are now experiencing at the hands of foreign competition. I have taken the floor in the past to talk about shoes. We have an industry about to be extinguished, apparently with either the indifference or the blessing of this administration, because we now have a situation where 80 percent of the shoes that are worn in this country and sold in this country now come from abroad. The

administration's response has been, "We are committed to free trade. Don't talk to us about any sort of protection for any industry in general and certainly the shoe industry in particular."

The problem I have tried to articulate over the weeks and months and recent years has been one that pertains to every aspect of our trade policy because, in fact, we have no trade policy. This administration has been committed rhetorically to free trade, except we find that every few nations, if any, are committed to the same policy. They all articulate it; they practice something quite different.

I had occasion to travel with Senator DOLE to the Far East last summer inorder to bring our concerns directly to those nations. I found it extraordinary. Every one of the nations that we visited said, "My God, the Senate and the Congress are about to embark on a protectionist binge. This will be disastrous to the world trade economy."

Yet we found that, while they were so fundamentally opposed to "protectionist measures" in the United States, each and every country that we went to had the most visible and invisible protectionist measures and subsidy programs that one could imagine.

In Korea, for example, we found a great concern with "protectionism" in the United States, but it is a crime in South Korea to be found in the possession of American-made cigarettes. How is that to be? We found, for example, there was very little protection for intellectual property rights in that country; that American insurance companies and banks could not do business in Korea.

We found the same story in each and every country. In Japan we found a barrier to blueberries, by way of example. Even though no blueberries are produced in Japan, they had a 100-percent tariff on blueberries. The list goes on and on.

Now we come to yet another industry, the forest products sector, which is certainly in my State and many of the States represented here during today's debate, a major industry. Each of our industries is told by this administration that we are committed to free trade. I will tell you that the people of Maine, the rest of New England and the other States who are involved, are willing to compete. We are willing to compete against our counterparts in Canada or any other country. However, we are not willing and cannot compete against the treasuries of those countries, particularly Canada in this instance.

The American lumber industry is forced to get its product by competitive bidding. The Canadians do not have the same system. The Crown owns 94 percent of all the timber and they allocate that timber according to whatever process they see fit. The Canadian manufacturers are not required to go out in the private market. They are not required to bid competitively. As a result, they enjoy a huge advantage. They are, in fact, heavily subsidized.

In addition to the subsidy, they also enjoy at this moment between a 35-cent and 40-cent exchange rate advantage on the dollar. If you take the heavy subsidization, plus the exchange rate, there is virtually no way that any American producer can compete. That is not free trade. That is not fair trade.

This administration keeps bowing down to this idol called free trade while, in fact, every other country is ignoring it and taking advantage of our industries and putting them out of business.

We have lost, in the Northeast alone, at least 11,000 jobs in the forest products sector. We have lost $75 million in payroll as a result of practices carried out by the Canadian Government to aid its lumber industry.

If there is a message to our negotiators, we are saying, "Enough is enough. We are not going to see industry after industry simply disintegrated because you folks downtown are more concerned about good relations than you are with having a solid industry and a solid, viable economic base in this country."

Canada is important to us. Historically, culturally, geographically, and from a defense point of view, Canada is very important to us. We have a good and long-standing relationship. But the fact that we are good neighbors, and the fact that we enjoy a common border and common heritage and cultural basis is no reason why we should ignore the devastation that is taking place to our industry as a result of our neighbor's unfair trade practices.

Now, in my State, 80 percent of the lumber is coming from Canada; a major State that is mostly forest, yet we still get 80 percent of our lumber from Canada because they are able to flood our market with a lower priced product as a result of Government subsidization.

If our negotiators are unwilling to see to it that some sort of formula is arrived at whereby our Canadian counterparts have to pay a fair and competitive price for their lumber, it seems to me that Congress has no choice but to take legislative action. If that runs contrary to the sensitivities and sensibilities of the administration, I can only say that they have had fair warning.

In closing I would encourage our trade negotiators to listen very carefully to what the Members are saying here today, because we are not going to be deferred much longer in the face of what I consider to be an unfair and unwarranted assault.

Mr. BAUCUS. Mr. President, I thank the Senator from Maine.

I now yield to the Senator from Mississippi.

The PRESIDING OFFICER (Mr. GOLDWATER). The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I am happy to join with my colleagues today to express my concern for the adverse impact that is occurring throughout our Nation because of the increased volume of imports of timber from Canada. It is time for action on this issue. What we must have, in my opinion, is an agreement with the Canadian Government that provides an equitable and healthy competitive environment for both the United States and Canadian timber industries. I know there are other alternatives, but that is the alternative that I think is preferable.

The industry in my State of Mississippi is in serious trouble. There are approximately 133,000 private forest land owners in my State. Forests cover 55 percent of the land in Mississippi. The hard work of the people involved in this industry has resulted in the harvesting of $518 million worth of forest products in 1984, making it the third most valuable crop in the State.

But the large volume of imports has resulted in a dramatic drop in the price private landowners receive for their pulpwood and sawtimber. The price per thousand board feet has dropped from about $230 to $130 in the last 2 years. This drop has had an adverse impact on the total economy of our State.

Mississippi timber owners usually sell more than 50 percent of the volume of lumber grown in the State to firms in Georgia, Florida, and other places within the United States for large construction projects. While the Mississippi share of this market is still 10 to 20 percent, it has previously had as high as 30 percent of the share of the Georgia market, for instance. But the Canadian share of the market for softwood lumber in Georgia has now risen to over 60 percent, as the Mississippi share has dwindled.

Mississippi landowners have intensified their management of forest resources. We have embarked upon incentive programs to reforest our lands, to encourage the use of lands for growing timber rather than unprofitable row crop operations.

But we cannot continue that effort if we are going to see the prices that are being paid to landowners decline further.

We are reaching a point, Mr. President, where this very vital and important industry is collapsing. I urge those who are involved in trying to work out a solution with our Canadian friends to intensify their efforts. Failing that, I am afraid that the Congress, the American people, and those directly affected by the consequences of these imports are going to urge that more drastic and dramatic action be taken.

I think we have to say that we are prepared to take other action, but for

the time being let us increase our efforts to reach an agreement with the Canadians on this very important issue.

I appreciate the Senator from Montana yielding to me. I yield back the balance of my time.

Mr. BAUCUS. Mr. President, I thank the Senator for his comments.

Mr. President, I yield such time as he may require to the Senator from Oregon [Mr. PACKWOOD].

Mr. PACKWOOD. Mr. President, the fact that the United States recorded a $150 billion trade deficit in 1985 is a source of great concern to us. The cause and consequences of this enormous trade deficit are complex, and do not lend themselves to simple solutions.

But the flood of Canadian softwood imports which contributed over $2 billion to this deficit represents a more simple reality: Canadian lumber manufacturers enjoy substantial price advantages made possible by Canadian Government policies.

I have asked Ambassador Yeutter, the U.S. Trade Representative, to negotiate a solution to this problem which affords softwood lumber producers on both sides of the border the opportunity to compete fairly. I can understand the desire of the Canadian Government to promote Canadian lumber production and the concomitant employment. But the proximity and integration of the Canadian and United States lumber markets makes it imperative that Canada consider the United State impact of its policies. We simply cannot tolerate Canadian policies which promote Canadian production and employment at the expense of United States production and employment.

It is time for the Canadian Government to recognize the consequences of its softwood lumber pricing practices. Whatever the legal arguments over the legitimacy of these practices, whatever the Canadian considerations, Canada must come to terms with the severe dislocations experienced by the American softwood lumber industry and the reaction which that has produced. With the number of closed lumber mills and unemployed lumber workers growing daily, it is high time for Canada to find a way to "live and let live." This cannot wait. It certainly cannot wait until the conclusion of any free trade agreement which the administration has proposed to negotiate with Canada.

Mr. BAUCUS. Mr. President, I yield such time as he may require to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

TIMBER TRADE

Mr. DENTON. Mr. President, I am most pleased to be able to participate in this colloquy today.

Although I expect that many of the comments will have to do with the particular problems that are being experienced by the timber-rich region vis-a-vis Canadian timber exports, my colleagues should know as the two Senators from Mississippi are here to testify that the Southeast has a large traditional timber industry, which is also under seige.

Some 70,000 individuals are employed in the forest products industry in Alabama, which compares respectably to the roughly 108,000 men and women who work for our largest employer—the textile and apparel manufacturers.

That figure alone, however, does not tell the degree to which the forest products sector is integral to the Alabama economy. The industry contributes $3 billion annually to the State's economy, which is more than any other manufacturing group in the State.

Furthermore, unlike the timberland in the Northwest, which is largely owned and administered by the National Forest Service, fully 75 percent of our timberland is privately owned. That means that the fruits of a prosperous timber industry, or the pain of one on the losing end of unfairly subsidized competition, is distributed widely and deeply throughout Alabama.

For this reason, I could not forgo the opportunity to participate today. I join my colleagues in vigorously protesting the timber policies of the Canadian Government. Furthermore, I am disconcerted by the Canadian Government's unwillingness to hold meaningful discussions on possible solutions to the resultant trade problems.

Those problems have reached major proportions. Although our domestic timber industry is one of the most efficient in the world, hundreds of mills have closed during the past 6 years. Tens of thousands of U.S. lumber workers have lost their jobs, and, in 1984 alone, the U.S. industry wrote-off over $550 million in softwood lumber assets.

The decline has occurred under the intense pressure of rising Canadian imports, the flood of which has depressed prices. Despite the fact that U.S. lumber consumption reached record levels in 1984, and again in 1985, U.S. lumber prices have fallen and remain at recession lows.

I believe that this disastrous situation is largely due to the Canadian Government's timber policies, which seek to maintain Canadian employment at the cost of American jobs, and of the long-term health of the forest resources in both Canada and the United States.

The immediate issue, of course, is Canadian stumpage pricing practices. By selling its Government-owned timber to Canadian firms at extremely low prices and in a noncompetitive system, the Canadian Government has encouraged overproduction and maintained employment. In the past 10 years, Canadian softwood lumber production has increased 96 percent, while our rate of production increase is only 19 percent.

With Canadian domestic consumption unable to absorb the increased output, it is not surprising that Canada has had to export the surplus. Canada's share of our lumber market has grown from one-fifth to one-third. It has accomplished this through an unfair advantage, that is, low stumpage prices, deliberately pegged to undercut the price of American timber.

That such an advantage exists is apparent when one considers the fact the small percentage of timber sold competitively in Canada sells for as much as 16 times the price set by the Canadian Government.

That is, Canadian timber sold in Canada sells at 16 times the price set by the Canadian Government for its exports. It is hard to believe that when timber consumption increased between 1983 and 1984, stumpage prices in the Canadian Panhandle Forest decreased, but that is, in fact, what happened. The Royal Commission on the Northern Environment found, in its June 1985 report, that Canadian stumpage pricing practices do "not reflect the market value of timber cut."

The cost of that policy is being borne by the American timber industry. Under current conditions, the only avenue of survival for U.S. lumber producers is to pay less for timber. In time, that can only result in timber prices dropping to a level that will force the abandonment of our intensive forestry management system and the reversion of our woodlands to lower quality, lower yielding natural stands.

In the long term, that could reduce both the volume and the quality of wood fiber grown in the United States, with a potentially significant impact on the $100 billion wood products and paper industries, including the possible loss of an additional 15,000 forestry jobs.

The United States, therefore, has no real choice but to pursue every available remedy, including those under existing law, and new legislation to put Canadian timber on an equal economic footing with the United States, if Canadian lumber is to be imported into our country.

I prefer to see the matter resolved through bilateral negotiations. I believe that is better than unilateral action by the President or Congress. During the upcoming United States trade negotiations with Canada on lumber and wood products, I urge the President's negotiators to remain firm in their commitment to correct the inequities and unfairness involved in Canadian lumber imports.

At stake is the survival of the U.S. lumber industry, and, in the long term, the strategic issue of U.S. wood fiber sufficiency. When Canadian production falls due to depletion of the Canadian resource base, will we have

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an industry able to rebound and provide American consumers with a stable supply of reasonably priced quality lumber? I hope that we will not have to answer that question.

I thank the Senator from Montana and I yield the floor.

Mr. BAUCUS. Mr. President, I thank the Senator from Alabama for his yeoman efforts here.

Mr. President, I now yield to the distinguished Senator from Idaho, who has worked long and hard on this issue, and on this legislation. I think he is one of the most effective spokesmen on this issue.

Mr. SYMMS. I thank my good friend from Montana. I thank him for his leadership on this, and say I am pleased also to be one of original cosponsors of his natural resource countervailing duty bill. That bill is important to this entire discussion.

I appreciate the fact that so many of our colleagues are joining in on this effort. I particularly appreciate Senator BAUCUS for drawing attention to the timber problem and encouraging many of our colleagues to speak on the floor on this issue because we are talking about a major basic industry. It is not a localized problem. Jobs are being lost from Maine to California. There is a crisis in the softwood lumber industry. This industry ranks about sixth in importance to the national economy. The crisis is not the product of eroding demand or the inability to meet that demand. It is a direct result of a flood of imported lumber from Canada.

In 1975, Mr. President, Canada had less than one-fifth of the United States market. By 1985, they increased their market share to over one-third of the market, and during that 10-year period the Canadian production doubled while the United States production was up only a scant 20 percent. No one can argue that our domestic softwood lumber problems are not pure and simply the byproduct of the Canadian invasion. It is obvious to anyone familiar with the wood product industry that this invasion is only possible because of unfair competition.

Before detailing the evidence indicating unfair competition, I want to document the extent of the injury to our domestic industry. Bear in mind that demand, fueled by a booming housing market, hit 43 billion board feet in 1984, and when the books are closed on 1985, it is expected it will be 44 billion board feet. That is an all-time high in softwood consumption.

This boom is reflected in the United States in a rather strange way, Mr. President. Between 1977 and 1984, 629 U.S. mills were forced to close. Employment dropped by one-fourth, from 119,500 in 1975 to 89,000 in 1984. I am sorry to say that this trend is reflected in Idaho. We had a high of 19,000 workers involved in the wood processing industry in 1979, and we are now down to 13,500 by 1985. These mill closings cause terrible disruptions to small, independent communities struggling to provide good schools, to keep the local hospital open, and to extend other basic services.

It is dramatically difficult for these small communities when people start leaving town. We have had to build the schools, to educate them, the hospital facilities, to care for them and then they start moving away. It is very difficult for those who are left, as well as those who have the traumatic experience of having to leave. Idaho ranks about fifth in softwood production, and the forest products industry makes up about one-fourth of our nonfarm economic base. Obviously these closures are very hard on our State.

Mr. President, the basic issue here is whether the expansion of Canadian imports is the result of unfair competition. In my mind, there is no question. It is unfair. None of my colleagues speaking on this issue today would be participating if they felt the Canadian competition was fair.

Many arguments have been advanced during this long-running debate on timber imports to discount the charge of unfair competition. However, no matter how the disclaimers are couched, the fact remains that Canadian imports have increased dramatically while domestic exports have suffered. The most glaring inequity appears to be the difference in stumpage prices—the cost of raw material.

The information provided by the Coalition for Fair Lumber Imports shows that the Canadian stumpage costs about one-tenth of what the United States stumpage costs. Does a 10-to-1 advantage, or edge in raw material cost constitute unfair competition? Or is it merely a result of physical factors, and as such an advantage nullified by other considerations? Let us take a look at the arguments, Mr. President.

Is the difference in stumpage rates the result of physical differences in the timber on two sides of the border? The answer to that question is: There is no fundamental difference in timber species, distribution, or stand composition that would account for a dramatic difference in value. Are there inherent differences in topography or logging requirements, which are sufficient to justify a significant difference in the value of the residual stumpage? The answer to that: It does not seem logical. The topography is quite similar as is the timber size. These are two of the major factors in logging cost variations.

If there are some differences, they should be more than balanced by the fact that American logging requirements seem to be much more exacting which would tend to reduce the cost of U.S. stumpage.

Is the stumpage differentiation an incidental issue with the increasing Canadian market share the result of other factors? I see no convincing evidence of this. The most common reason suggested for the shift in market share is the advantage in the exchange rates. That is a logical argument. However, it would be more convincing if it were not that the real value of the United States dollar has remained relatively constant in comparison with the Canadian dollar since the end of 1978. In other words, the big jump in imports has occurred without the benefit of the significant jump in exchange rates.

Some time ago, there were claims that the Canadian sawmills were more productive than the American sawmills and, therefore, Canadian import increases were the natural result of competition. Such assertions have proven to be inaccurate. As a matter of fact, the latest ITC study shows that American sawmill costs are 7 percent lower than Canadian costs. I know that the Idaho sawmills have become more productive in the past few years. The information available indicates that this is a national trend.

I think the claims that the Canadian loggers are more efficient are equally false. As a matter of fact many, many sawmill workers in Idaho, have taken pay cuts in order to help the sawmill they work for maintain the competitive edge that they have had. They have had to do this in order to survive. Even with these paycuts, that have come up to 15 to 20 percent of their basic pay, they are still having trouble, and still struggling. The information available indicates this is a national trend.

Most Idaho loggers are small, independent businessmen. Much of their work is obtained on a competitive-bid basis.

The Idaho loggers have a proud record for innovation and development of new technology. Their prices have not increased as rapidly as the inflation rate for the past 10 years or so. I cannot believe that any loggers, anywhere are more efficient.

Its well documented that Canadian stumpage prices are held at artifically low rates that do not cover even the basic costs of reforestation. Various units of the Canadian Government in 1985 committed $900 million to assist reforestation. In contrast the U.S. Forest Service timber sale program returned $124 million net to the Treasury after all costs were paid in 1984. All reforestation costs were included before the net return was calculated.

Looking at the situation realistically its obvious that the boost in Canadian imports is directly related to the vast difference in stumpage costs between the two countries. It is absolutely necessary that this situation be resolved in the near future. We are all aware of, and very concerned about, the immediate impacts on our industry and our people. However, I am becoming increasingly alarmed about the long-term injury to our society. If something is not done soon we may not have an adequate, reasonably priced domestic supply of softwood lumber at

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any time in the foreseeable future. I base this on the fact that Canadian forests are being overcut and they just will not have the wood on the ground. At the same time it appears that the U.S. Forest Service is basing their timber sale program for the next decade on the removal rates of the last few years when the import-depressed prices have severly limited the harvest rates. If this continues the needed raw material simply will not be available from our Federal forests. To make matters worse the depressed condition of the American industry during the past few years has tended to limit investment in new equipment and development. If this trend is not reversed at some point in the future our industry will not be competitive with our neighbors.

Mr. President, there are several options for solving our timber crisis. I would prefer a good faith agreement from the Canadians to either restrict their lumber exports or price their stumpage on a realistic basis. Failing this there are at least three legislative remedies.

One that I mentioned earlier was offered by Senator BAUCUS, myself and several cosponsors, redefines subsidy; one that my senior colleague, Senator MCCLURE, has introduced is quota bill; and one that I have introduced is a straight tariff that would offset the 30-percent differential between the Canadian dollar and the United States dollar. I will support any reasonable action which will bring about fairness for our wood products industry.

I thank my senior colleague from Idaho for his efforts in behalf of this industry, and I thank my good friend from Montana for his interest.

Mr. BAUCUS. Mr. President, I ask unanimous consent that all statements submitted by Senators who do not actually give those statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. I further ask unanimous consent that all statements on the lumber import issue submitted anytime today, Wednesday, be printed in the RECORD along with other statements on this issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

RIGHT OF U.S. TIMBER COMPANIES TO DEFEND THEMSELVES

Mr. BUMPERS. Mr. President, I am pleased today to join in this expression of concern about subsidized imports of Canadian lumber. I want to thank Senator BAUCUS for organizing this special time to discuss this important issue. As a cosponsor of all three Senate bills introduced on this issue—S. 982 and S. 1292, introduced by Senator BAUCUS and S. 1224, introduced by Senator MCCLURE—I feel strongly about the need to give United States timber producers the right to defend themselves against unfair government subsidies being given to the Canadian timber industry.

The right to defend oneself against unfair trading practices of ones foreign competitors lies at the heart of our system of trade remedy laws and it is the key to the issue we are discussing here. Under the countervailing duty and dumping laws U.S. companies which believe that their foreign competitors are being subsidized or are pricing their exports below their cost of production can bring complaints with the appropriate U.S. agency and present their case. If they prevail on the facts, a duty is imposed which offsets the unfair advantage conferred by the subsidy or which raises the price of the product at least to the export's costs of production. What has happened is that the right of U.S. timber companies to protect themselves against the subsidies being provided to their competitors by foreign government has been denied by this administration. The damage which has resulted from this action already has been severe.

The damage which this administration's policies is having on the Arkansas timber industry is real and substantial. In Arkansas the forest products industry employs 42,000 people, about 20,000 of whom are engaged in the lumber and wood products segment which is affected by lumber imports. One out of every four manufacturing jobs in Arkansas is directly related to the timber industry—75 percent of the forestland in Arkansas is owned and managed by private, independent landowners who stand to lose markets if Arkansas lumber production is reduced due to lumber imports. The lumber and wood products industry in Arkansas has an annual payroll in excess of $297 million. And Canadian lumber imports have already captured 12 percent of the Arkansas timber market, up from 7.4 percent in 1983. The artificially low prices charged for these timber imports depresses prices for the entire industry, not just for the Canadian timber that is sold.

As a result of timber imports, many pine lumbermills in Arkansas are running below capacity and profit margins have almost disappeared despite an exceptionally high level of consumption of timber in the United States. When one pine stud lumbermill in El Dorado, AR, closed with the loss of 100 jobs, the vice president of Georgia Pacific said that "It is rather staggering to close a Southern pinemill in Arkansas when softwood from interior British Columbia, a thousand miles away, is thriving in the same market."

The reason we are here today, however, is not just that an important U.S. and Arkansas industry is suffering damage from imports. Many U.S. industries are suffering as our country runs unprecedented trade deficits. All U.S. companies which find themselves in competition from imports or which export goods are adversely affected by the inflated value of the dollar, which in turn is due to the misguided fiscal policies of the last 5 years.

Rather, the reason we are here is that this administration has effectively denied United States companies their right to defend themselves against unfair subsidies being provided by the Canadian Government to its timber industry. The U.S. timber industry has presented its case to this administration and the Commerce Department dismissed the case on the basis of an absurd and novel interpretations of our United States trade laws, an interpretation which in October of last year was held by the United States Court of International Trade to be without legal basis in a case involving imports of petrochemicals from Mexico. In short, U.S. timber companies have been forced to come to the Congress because this administration has shut the door on the normal avenue for redress under the trade laws.

The United States timber industry filed a countervailing duty petition before the United States Commerce Department's International Trade Administration 4 years ago claiming the Canadian Government was providing a subsidy to its timber industry by failing to sell its timber at market prices. The Commerce Department rules that the Canadian timber industry was not subsidized because the system of stumpage prices in Canada applied to all sales of timber in Canada, not just to sales of timber to one or another producer. The Department argued, in effect, that because the Canadian Government sold all of its timber on a subsidized basis, none of it was subsidized. In other words, because the subsidy was given to all Canadian timber producers, and to related industries, it was not given to any one specific enterprise or industry and, by some logic, therefore, ceased to be a subsidy to all the companies benefiting from the stumpage system.

Clearly, the Commerce Department's legal doctrine is absurd on its face. If a subsidy is being given to all Canadian timber producers, that subsidy is being given to each producer. That a subsidy is generally available to all companies means that the subsidy is even more blatant and confers an unfair competitive advantage on all Canadian timber producers.

This legal doctrine was relied upon by the Commerce Department in a series of other cases brought by the United States petrochemical industry, which argued that Mexico was unfairly subsidizing its petrochemical industry by selling natural gas and petroleum at a fraction of the market price—a situation directly analogous to the stumpage fee system in Canada. In these petrochemical cases, the Commerce Department applied the same strained interpretation of the countervailing duty law as it had applied in the Canadian softwood lumber case. But, in one of these cases, an appeal

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was taken to the U.S. Court of International Trade. In a decision on this appeal the court found that the Commerce Department had failed to understand the difference between government benefits made generally available to all citizens of a country—such as construction of roads and provision for education—and benefits that are conferred on all companies within an industry. In the latter case the court held that when such benefits are conferred on an entire industry, they may well constitute subsidies to each company within that industry, precisely the logic that the Commerce Department had rejected.

Had the Commerce Department permitted U.S. timber producers to defend themselves in the countervailing duty proceeding 4 years ago, we would not be here today. And if the Canadian Government were not subsidizing its timber producers, we would not be here today. What U.S. timber producers want is the right to defend themselves against illegal subsidies. If they are not barred at the door by some novel and strained interpretation of the countervailing duty law, they can attempt to prove their case and establish their injuries. If they prevail on the merits of their petition, a duty will be imposed solely to offset the unfair competitive advantage conferred by the subsidies that are found. United States companies will not be given any competitive advantage but only given the opportunity to compete with Canadian producers on the basis of market prices, productivity, and production costs.

You will hear that this is an issue about import quotas. Well, it is true that we could impose a quota on Canadian timber imports and a quota that would provide immediate relief to the United States timber industry. The bill introduced by Senator McCLURE would establish a quota and I support that approach to this problem if we have no other way to proceed. Given the damage that has been done to the United States timber industry by unrestrained Canadian timber imports—damage that has been done by the failure of this administration to provide effective relief—quotas might be the only way to provide the timely and effective relief necessary to control the deluge of imports which has occurred since the Commerce Department ruling.

It would appear, however, that the response that is more likely to be adopted by the Congress is that taken in the natural resource subsidy bill, which has been favorably reported by the Trade Subcommittee of the House Ways and Means Committee, H.R. 2451. S. 1292, which I have cosponsored, is identical to the reported bill. What this bill would do is bar the Commerce Department from avoiding its responsibilities and force it to rule on the merits of the United States timber industry's case. It would take the same position on the general availability issue as was taken by the U.S. Court of International Trade. It would simply permit United States timber producers to defend themselves on the merits of the issue of Canadian subsidies.

You also may hear that giving United States timber producers an effective remedy for Canadian Government timber subsidies will hurt United States companies that currently benefit from low-priced timber imports. Clearly, if there is any increase in the price of timber in the United States, companies which use timber will find themselves paying this higher price. In this sense, downstream companies always have a short-term interest in cheap imports. But, in the long term, everyone loses when imports are subsidized. If U.S. companies are damaged by subsidized imports, they will become less competitive, less productive, and may even go out of business altogether. When there is less competition from United States producers, importers will raise their prices. There will be fewer sources of supply. There will be fewer local producers who can give special service to U.S. companies which buy their products. It is not fair for some U.S. companies to receive the benefits of subsidized imports when these subsidies put productive American workers of other U.S. companies in the unemployment line.

Just as important, when foreign countries subsidize their exports, the entire international trading system is affected. Artificial, rigged prices become the norm, rather than prices set by the market. Certain industries benefit but the market becomes inefficient. U.S. companies will demand that they be subsidized in response to foreign subsidies. International trade becomes competition between governments, not companies.

The United States must play a special role in protecting the international trading system. We have one of the most open markets in the world and we thrive on competition. If we do not challenge illegal foreign subsidies, which country will? If the United States cowers in response to every threat of retaliation by our trading partners and does not react to illegal foreign government subsidies, not only U.S. companies but the international trading system will suffer. When U.S. companies fight foreign export subsidies, they are fighting protectionism. The subsidies they fight are protectionist. In fighting subsidies, U.S. companies defend the fundamental premise of the entire free trade and free market system.

The United States timber producers are not here simply complaining about increased imports of Canadian timber. They are not complaining about increasing foreign competition. They are not here trying to protect an unproductive industry. They are not even here complaining about the fiscal policies that have led to the bloated dollar and record trade deficits.

They are just demanding a right to defend themselves against subsidized competition. They want the right to compete on a fair basis, with stumpage fees determined by market forces rather than contrived government subsidies. They are confident that they can compete on an even basis if their competitors are not given an unfair advantage by the Canadian Government. They can compete with foreign timber producers; they cannot compete with foreign governments. They could even survive the tax imposed by the inflated value of the dollar. But, they demand that at a minimum they have the right to defend themselves when their competitors are receiving huge and decisive subsidies by a foreign government.

When the natural resource subsidy provision was considered in the 1984 trade remedies reform legislation, this administration was adamantly opposed and even threatened a veto for the legislation if this provision was retained in the conference. On that basis, the provision was deleted—by a narrow 4-3 vote among the Senate conferees—despite strong support for the provision by the House conferees. The administration remains opposed to any legislation on this issue, but it has finally agreed to raise the issue with Canada in the on-going negotiations over a possible free trade zone with Canada.

I support these negotiations and I would think the interest of Congress in the timber import issue would strengthen the bargaining position of the U.S. negotiators. But, our patience here in Congress is wearing very thin. If the Canadian Government does not move quickly to agree to eliminate its current subsidies, Congress will be forced to act. If the Canadian Government does not believe that Congress will act, or if the administration continues to state that it would veto any legislation on this subject, however, the Canadian Government will have little incentive to face the issue.

All I can say is that if the negotiations do not soon result in an agreement to eliminate stumpage subsidies, I will do all that I can to see that Congress does act decisively and, if necessary, overrides any veto of the legislation by the President. It is time that the U.S. industry was given the right to defend itself against illegal and unfair foreign subsidies. Nothing could be more American and less protectionist.

Mr. HELMS. Mr. President, I strongly disapprove of Canada's continued policy of pricing stumpage in a manner that is totally lacking in fair trade sensibilities. We have come today to impress upon the Canadian Government the need for flexibility in softwood lumber trade negotiations.

Mr. President, the situation is intolerable. Despite record lumber consumption in 1984, led by a housing boom, the average lumber prices for the entire year were more than 20 per-

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cent below the average prices of 1979. The principal culprit for our depressed prices is the tidal wave of Canadian lumber imports. Depressed U.S. softwood lumber prices translate into depressed stumpage prices for softwood timber. This situation of low stumpage prices poses a serious long-term threat to the resources and economics of the Southeast. Private nonindustrial landowners no longer have the economic incentives to invest in expensive forest practices -especially regeneration of pine.

In my State the primary forest products industry employs 32,000 people and produces over $2 billion worth of wood products. North Carolina ranks fourth in the South and ninth in the Nation in softwood lumber production, and we rank third in the South in softwood growing stock. Clearly, my State is a primary source of softwood lumber for the Nation, yet in 1984 the Canadians controlled 46 percent of the softwood lumber market in my State. Even more stunning is the fact that British Columbia—on the opposite side of the continent—alone has over 30 percent of the North Carolina market.

Mr. President, I wonder, how can a softwood producer in a Canadian Province—thousands of miles away—sell lumber more cheaply in North Carolina than my State's own softwood producers?

This is not a case where U.S. softwood producers are uncompetitive. The problem is that United States producers must compete with Canadian producers who have the full force of their Government's resources behind them. Clearly this is not a free market trading relationship.

The Canadian Provinces—which own 90 percent of Canada's commercial grade timberland—determine stumpage prices by estimating the market value of the end products and deducting the processing costs and a profit-and-risk margin. This is known as residual value appraisal. Over the past decade, Canada has exported 50 to 60 percent of its lumber production to the United States, since the primary market for Canadian softwood lumber is the United States, the Canadian residual value appraisal system is in effect Canadian trade policy.

Hopefully, legislation to restrict Canadian lumber imports can be avoided, but when the policies of the Canadian Provinces are responsible for their unfairly increased share of the United States softwood lumber market, then we must stand ready to defend ourselves.

CANADIAN LUMBER SUBSIDIES MUST END

Mr. TRIBLE. Mr. President, Canadian lumber exports to the United States are heavily subsidized. And are the results of Canada's "beggar my neighbor" lumber policy are plain to see:

Since 1975, the Canadian share of the United States lumber market has increased from 20 percent to nearly 34 percent.

Between 1977 and 1984, over 30,000 U.S. softwood mill employees—more than one-quarter of such employees—lost thier jobs, as the United States lost 629 softwood lumber mills.

But during that same period Canada gained 85 softwood mills.

Canada is importing jobs and mills from the United States, and exporting its unemployment to us, by a deliberate "begger my neighbor policy" based on hugh subsidies for the most important lumber input—timber—stumpage.

In fact, Canadian firms pay an average of $50 per thousand board feed less than fair market value for their timber.

By selling government-owned timber to the Canadian lumber industry at prices well below fair market value, the Canadian provincial governments are providing a deep subsidy which sustains production of Canadian lumber at the expense of the United States lumber indusry, its employees, and thousands of United States loggers and haulers.

Over $2 billion of America's large trade deficit with Canada is caused by these unfairly subsidized lumber imports.

The Canadian governments must stop subsidizing stumpage, sell timber at a fair market price, and let Canadian lumber makers compete head to head against American firms.

But if those governments don't mend their ways, we must not tolerate unfair subsidies any more.

We should strictly limit imported Canadian lumber for as long as this anticompetitive practice continues, or impose stiff countervailing duties to wipe out the artificial price advantage caused by the subsidies.

I wholeheartedly support this administration's efforts to end Canadian lumber subsidies. But I am ready to vote for tough unilateral measures to restore fair lumber trade if sweet reason fails.

Mr. EVANS. Mr. President, I come to the floor today to express my support for intensified discussions between the governments of Canada and the United States on the softwood lumber issue. An acceleration of these discussions is particularly timely due to the scheduled meeting next month between Prime Minister Mulroney and President Reagan. I think we have had adequate discussions at the technical level on our differences regarding stumpage, transportation costs, characteristics of the timber, and reforestation. Now is the time to bring those talks to a higher level of discussion for prompt resolution.

I am a strong believer in open trade—in reducing barriers to trade rather than creating new ones. The open, multilateral trading system in the postwar period has brought great prosperity to the American people. Yet there is also no question that governments have become increasingly involved, both directly and indirectly, in providing selected industries special competitive benefits. Unfortunately, such a preference is directed at increasing shares of export markets, which thus distort relative prices and comparative advantage in the trade relationship. We are not innocent in the United States. Yet the multilateral mechanism set up to police these subsidies and preferences—the GATT subsidies code--has been ineffective in eliminating them. And the industry that we are considering today—Canadian stumpage and processed lumber trade—is one such case of active government involvement.

I also believe that the United States has a unique relationship with Canada. I am an enthusiastic supporter of the free trade area negotiations with Canada and believe that more open trade will bring about the greatest benefits to our two countries over the long-term. In general, I believe that a mutual reduction of tariff and nontariff barriers will benefit consumers and producers in both countries.

Mr. President, I also believe that softwood lumber is a special problem that deserves great attention from our trade negotiators prior to commencement of the FTA negotiations. Differences between Canada and the United States over softwood lumber trade are nothing new. During the last multilateral negotiations in the Tokyo round, the mutual reduction of tariffs on softwood lumber was one of the last unresolved issues. Due to that disagreement, the tariff has remained at a relatively high level of 20 percent. And, of course, most members on the floor today are aware of the unsuccessful countervailing duty (CVD) petition against Canadian stumpage practices in March 1983. It is a large industry that employes thousands of people and generates millions of dollars of income on both sides of the borders. The large U.S. market is crucial for Canadian producers, especially those in British Columbia: exports account for about 76 percent of total Canadian production, mostly to the United States. Exports are less important to American mills, accounting for only about 6 percent of domestic production. To put in perspective, Canadian exports, in terms of million board feet, were about eight times greater than U.S. exports in 1984. Our industry in the Pacific Northwest has gone through wrenching changes during the past several years, throwing thousands of people out of work and devastating certain communities. That is why the rising imports of Canadian softwood lumber in the past 5 years is of such great concern to constituents in my State.

I do not advocate any particular resolution of this difficult issue. I believe that our negotiators, led by the USTR should have the flexibility to negotiate an agreement on softwood lumber, fully cognizant of the high level of

concern in the U.S. Congress. In general, however, I must add that I do not favor the imposition of quotas and quantitative restrictions.

I also believe that the discussions should include a serious discussion of removing Canadian barriers to the free trade of raw, unprocessed logs across our borders. If labor and transportation costs are roughly equal, then wouldn't the equalizing of each mill's raw material costs through mutual access to stumpage go a long way toward eliminating the Canadian competitive advantage? The Canadian Provinces, however, have strict limitations on the export of raw logs, many of which were instituted in the early 1950's. For example, an exporter of unprocessed logs from British Columbia has to undergo a complicated, unpredictable certification with the provincial government to demonstrate that such logs are surplus to the province's needs. These restrictions don't lend themselves to sustainable, long-term contracts across the borders. I am aware that USTR negotiators have broached this idea with their Canadian counterparts, who, as expected, voiced strong opposition to it. But that is no reason to give up.

I also think that the talks should not be limited to tariff and nontariff barriers. They should also include an extensive review of the respective reforestation practices in each country, and an estimate of their impact on the trade advantage. Despite Canadian protests to the contrary, I believe there is strong evidence indicating that the Canadian Provinces are cutting timber at a rate which is not sustainable over the long term. This provides the Canadian holder of stumpage rights with a competitive advantage.

Mr. President, we should also keep the larger picture in mind as we enter such discussions. If we focus too narrowly on one product in one country, or if we extend such a model to a number of products in other key trading countries, the overall basis for multilateral, nondiscriminatory trade will vanish. In fact, it has already been seriously eroded with the imposition of VRA's, VER's, and other such euphemisms, which restrict the flow of trade and, at least in spirit, violate the GATT.

The first element of the larger picture is the currency relationship. In spite of the general depreciation of the United States dollar of about 20 percent since last September's G-5 agreement, the relationship of the Canadian dollar to the United States dollar has hardly budged. In fact, the dollar began to appreciate, not depreciate, against the Canadian dollar recently, which forced the Central Bank of Canada to intervene in the currency markets to prop up the value of its currency. It remains today at a level of 70 to 71 cents to the U.S. dollar. Of course, this provides the Canadian producer with a 20- to 30-percent competitive advantage in our markets. The macroeconomic causes of this disequilibrium are not readily apparent. GNP growth in Canada has been strong recently: 4.4 percent over the past 12 months and 6.7 percent over the past 3 months. Canadian unemployment fell below the 10-percent level, to 9.8 percent, recently. It is unclear how much the Canadian Government can do to further stimulate economic activity without the risk of reigniting inflation. The external balance does little to explain the relatively undervaluation of the Canadian dollar. After all, in the current account, Canada has a slight surplus of $300 million for the last 12 months, while the United States faces a huge deficit of $114 billion.

I would suggest that we supplement our trade negotiations with representatives from our respective Treasury Departments to attempt to bring our currencies into greater balance. Possible steps to be taken could be those to bring about greater macroeconomic policy coordination, or coordinated efforts by our central banks to intervene in currency markets at the appropriate time.

The second element is to move quickly in the multinational arena toward a new GATT round. In particular, such a round should include an intense review of the GATT subsidies code and the rules affecting the trade of state enterprises. We need to come up with some creative ideas about how to increase the enforcement authority of the GATT without undermining the economic sovereignty of each nation. This is not going to be an easy task, but it will be a crucial one to ensure the reingioration of the multilateral trading system. The United States and Canada should actively participate in this discussion.

Mr. RUDMAN. Mr. President, I rise to express my concerns over the onslaught of Canadian lumber imports and to urge the Canadian Government to work with the United States to reach an equitable trade agreement in this regard.

Mr. President, it is becoming all too frequent that we in Congress are faced with a domestic industry beseiged by foreign imports asking us for legislative relief. I, for one, am reluctant to support protectionist legislation. I prefer to see trade policy set by the administration rather than in Congress, where there are some 300 pieces of trade legislation pending. Nonetheless, when the administration fails to take appropriate action, or when trade negotiations are unproductive, I will support congressional action to protect our domestic industries and to ensure that our trading partners are operating on a level playing field.

The lumber industry has tried to seek relief through existing administrative mechanisms. These efforts have been unsuccessful. While I have not endorsed any particular bill at this point, it is worth noting that a number of bills have been introduced to address the concerns of lumber producers.

There is no doubt that the domestic industry is being hurt by Canadian imports. In 1975 Canadian imports accounted for about 18 percent of U.S. consumption. Now they control about 33 percent of the domestic market. Mr. President, I do not want to see this figure rise to 77 percent as is the case in the footwear market. The industry faces a $2 billion lumber trade deficit with Canada and market conditions characterized by overproduction and depressed prices, in spite of record levels of demand.

Industry representatives inform me that 629 mills have closed since 1977 driving 25 percent of U.S. softwood mill employees out of work and displacing thousands of other workers in logging camps and transportation services. At the same time, it appears that 85 Canadian mills have opened. Domestic sawmills are operating at about 83 percent of capacity while the industry reports millions of dollars in pretax losses.

Mr. President, clearly there are a number of factors which have contributed to this situation. Average stumpage prices in the United States are as much as $100 per thousand board feet higher than average Canadian stumpage prices. The strength of the U.S. dollar also helps Canadian producers compete in our domestic market. What is clear is that a problem exists. I strongly urge the administration to work with Canadian officials to resolve the problem now.

Mr. WALLOP. Mr. President, I wish to focus on an important issue that will be the subject of negotiations during the bilateral trade talks with our Canadian neighbors. Simply stated, the Canadian Government is taking advantage of our open market with disastrous consequences for the United States lumber industry.

The policy of Canada's provincial governments is to maximize employment within their forests products industry. They accomplish this by essentially giving away their trees at prices totally unrelated to market values and one which ignore reforestation costs.

By contrast, forest landowners in the United States, by law and economic necessity, must earn a fair return on the trees they grow and sell. This means United States lumber producers pay a market price for their wood, a discipline not imposed on their Canadian competitors.

Canadians have refused to alter their system so that United States and Canadian companies can compete on an equal footing; consequently many of our companies are being driven out of the market.

Since 1975, Canadian imports have risen sharply, from 17 percent to 32 percent of United States consumption. This trend has contributed to the decline of sawmills and to increased un-

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employment within the lumber industry. These statistics do not even include the economic mill closures to the merchants and people of the usually small communities.

Mr. President, I believe any free trade agreement should be built on a foundation of mutually advantageous trading practices. Canada, a country that espouses free trade, should properly address the softwood lumber trade issue during the negotiations for a free trade agreement.

Mr. BINGAMAN. Mr. President, I rise today to join my colleagues in expressing concern for the problem of Canadian timber imports. I want to thank my distinguished colleague from Montana, Senator Baucus, for bringing this issue to the Senate's attention.

PROBLEM

The problem can be stated simply. Canadian Provinces, that is the governments of those Provinces, which own more than 90 percent of the timber in Canada, sell timber to Canadian lumber firms at a small fraction of what similar timber on similar terrain costs in the United States. The Canadian Provinces maintain low timber prices to promote Canadian production and employment. As a consequence, efficient U.S. lumber firms are being driven out of business.

Let me review some specific concerns. Canada currently enjoys about $2 billion lumber trade surplus with the United States. Canadian lumber imports have increased from 5.7 billion board feet in 1975 to a projected 14.8 billion board feet for 1985. In 1975, Canadian lumber accounted for 18.7 percent of U.S. consumption. By 1985, however, Canada had captured over one-third of our market.

In Canada, about 95 percent of the timber is owned by the Provincial and Federal Governments and sold in a noncompetitive market with prices set by a regulatory scheme. By comparison, over two-thirds of U.S. timber is privately owned, and virtually all U.S. timber is sold competitively. As a result, in 1984 U.S. timber is sold for, on average, $104.16 per thousand board feet [MBF] while Canadian timber sold for an average $11.84 per thousand board feet. Subsidized Canadian stumpage induces production.

Canadian timber pricing simply does not reflect a fair market value. From the Atlantic to the Pacific, Canadian stumpage immediately north of the border sells for much less than virtually identical timber immediately south of the border. In fact, in a recent comparison by United States and British Columbia appraisers of the same timber stand, the U.S. appraisal was about $10 per thousand board feet above the Canadian appraisal, and the estimated sales price in the competitive U.S. market was more than $36 per thousand board feet above the Canadian sales price.

IMPACT ON UNITED STATES

How does the increasing Canadian market share affect our domestic economy? From 1977 to 1984, 629 U.S. mills closed while 85 Canadian mills opened. In the same period, over 25 percent of the U.S. softwood mill employees were driven out of work. Tens of thousands of other workers in logging camps and transportation have lost their jobs. In 1984, the U.S. industry wrote off more than $550 million in assets and had $300 million in pretax losses. In New Mexico, employment has dropped 16 percent since 1977 and three sawmills have shut down.

INDUSTRY CONCERNS

I have heard from a number of companies and associations involved in the selling, fabricating and transporting of lumber and other wood products on this subject. They fear that any action to deal with the Canadian issue would lead to higher costs in home building and potential job losses. However, I am satisfied with a September 1985 Congressional Budget Office study that finds that the legislative remedies being proposed would only increase the cost of the average U.S. house by only $300. The short-term benefit of saving $300 on an average $75,000 house cannot be measured against the long-term damage to the U.S. lumber industry and the potential impact on American consumers. Absent a remedy for escalating Canadian lumber imports, the damage caused by the unfair Canadian stumpage advantage to the U.S. economy, our tax base, and a basic U.S. industry will continue to grow. The timber industry is just one in a long list of industries, including copper, potash and uranium in New Mexico that have been prevented from receiving effective attention or relief through our existing system of trade remedies. We must change this system and find a means that will allow our threatened domestic industries to compete fairly.

I urge my colleagues to examine the issue of Canadian timber imports and the potential remedies that have been recommended. I hope effective action can be taken this year.

UNFAIR CANADIAN TIMBER IMPORTS IMPACT THE BLACK HILLS

Mr. ABDNOR. Mr. President, when most people hear of the State of South Dakota, they think of the prairies and farming. A closer look will prove something else—roving hills and a large timber industry. The timber industry is the third largest industry in my State employing thousands of people and maintaining the economic stability of main street business throughout the Black Hills region.

A couple of weeks ago I spent a day in the woods getting a closer look. The mill operators, loggers, cutters, and truckers of the Black Hills showed me first hand the problems facing the timber industry. One of the primary problems is the unfair trade practices they encounter with the Canadians.

From 1977 to 1984, the Canadians were able to add 85 new mills while the United States had to close 629 lumber mills. Canada controlled 51.5 percent of the Midwest lumber market in 1983. These statistics carry right home to the businesses in places like Rapid City, Custer, Hill City, and Piedmont.

What accounts for these lopsided statistics? Could it be due to the fact that Canadian timber sells for about $50 per thousand board feet less than fair value, or could it be due to the fact that 90 percent of Canada's timber is sold noncompetitively? Both I believe are true.

To play in this trade game, the rules we abide by must be fair. The Canadian Government is a good friend of ours--no one doubts that. Our relations are solid. Nevertheless, as the U.S. Government enters into trade negotiations with the Canadian Government, I can only hope and urge that the outcome be fair.

The timber industry in the Black Hills wants the rules to be the same. They are ready and willing to take on the Canadians in timber trade if they can compete fairly. The message I bring from the woods in South Dakota is "let's trade fair."

Mr. President, we are here to encourage the United States and Canada to reach an agreement that promotes fairness. We are also here today to unite and state that if fairness is not reached we will be ready to move legislation like S. 1224—legislation limiting the amount of Canadian timber imports into the United States will address the problem if negotiations are not successful. As I stated before, it is my hope and desire that we do negotiate a realistic, reasonable, even handed agreement.

PRODUCTS INDUSTRY AND CANADIAN IMPORTS

Mr. GORTON. Mr. President, I am grateful for the opportunity to join my colleagues for the purpose of drawing attention to the plight of the American lumber industry. In the State of Washington, which has a long and proud history as a leader in the production of quality wood products, the industry's hardships have proven a particularly hard blow. Since 1980, hundreds of mills have closed, hundreds of others are operating below capacity, and 17,500 jobs have disappeared. Employment has plummeted from 55,000 jobs in 1979 to—at best—37,500 last year.

While these numbers are forceful, they do not begin to convey the human costs exacted by such a dramatic decline. Towns virtually shut down, families devastated, and for those who remain, the constant anxiety of wondering if they are next.

This is a problem that tries to the utmost a Senator's ability to reconcile his commitment to a balanced and consistent trade policy with his compassion for the deep concern about his constituents. I continue to believe that

the Nation, Washington State, and even the State's wood products industry will be best served in the long run by a policy of free trade. While there is an understandable appeal in the notion of simply shutting our doors to foreign imports, it would be naive and self-destructive to pursue such a course as a serious and sustained policy. On the other hand, it is impossible to watch dispassionately while one of my State's primary industries is decimated by those imports.

I am persuaded that the explosive growth of Canadian imports has several causes. First, it cannot be denied that at least one factor that has made all Canadian goods more attractive to Americans is the strong dollar. For years, the American and Canadian currencies were so closely allied that the two countries' coins were virtually interchangeable throughout Washington State and British Columbia. In recent years, however, the Canadian dollar has declined by almost 30 cents against the American dollar. This builds in a tremendous competitive advantage to all Canadians selling in the United States. Although actions taken by the administration since last fall have caused the decline of the dollar against some currencies, particularly the yen, I am convinced that it will not reach and remain at a reasonable level unless we bring our Federal budget deficits under control. That continues to be my No. 1 priority.

Our existing trade laws recognize that in some instances it is appropriate to grant assistance to industries that have been injured as a result of a surge in imports, regardless of the cause of that surge. I have encouraged our industry to pursue its rights under those laws, and in fact a decision should be rendered this morning by the ITC on a petition filed under section 201 by the domestic shake and shingle industry. I believe that the industry has made a compelling case, and hope that the Commission finds in its favor.

The industry has also petitioned Congress for relief in the form of legislation to make subsidization of natural resources actionable under our trade laws. While I have not yet finished exploring this proposal in detail, it appears to represent a reasonable means of dealing with the Canadian import problem. I will give it my close attention if it comes before the Senate.

Finally, the administration has made resolution of this problem a paramount priority. As we all know, high level negotiations are ongoing between our country and Canada. Because of our long and close ties with our neighbor to the north, I would strongly prefer to see this matter settled by agreement than by unilateral action on the part of the United States. I would, therefore, urge negotiators on both sides of the table to explore every possible avenue of compromise. Both of our countries will benefit from a swift and equitable accord.

Mr. HATFIELD. Mr. President, I rise today to lend my voice to the chorus of those calling for some solution to the problem of lumber mill closures in this country. For the past several years my State has witnessed a slump in the lumber industry that has caused widespread unemployment and business failures in those communities which are dependent upon a healthy wood products economy. Thousands of Oregonians have told me of their plight in the face of economic ruin. The Federal Government has a responsibility to alter the policies which have helped lead to this situation.

As all of my colleagues know, Oregon is heavily dependent upon the forest products industry for its economic health. Anyone who travels to my State soon realizes the reason for this—nearly half the State is covered with forests. Since 1938 Oregon has led the Nation in timber production, reaching its peak in 1952 when 9.8 billion board feet were harvested. This is still true today; in fact, two Oregon counties, Douglas and Lane, combine to produce more lumber than any State except Washington. And although lumber and wood products have fallen from 50 percent of the manufacturing work force in 1960 to 33 percent today, it is still by far the largest manufacturing employment component in the State.

In times of low interest rates and a high volume of housing starts, Oregon has prospered. However, once these factors were reversed, few States could match the hardships Oregon has suffered. The cyclical nature of the industry was readily apparent earlier in this decade when the States timber harvest plummeted from 8.2 billion board feet in 1978 to only 5.7 billion board feet in 1981. While there has been some recovery in the domestic industry recently, we have seen the market share of the Canadians grow from 20 percent in 1975 to over 33 percent in 1985. This increase translates into mill closures and lost jobs in Oregon.

There are numerous reasons for the increase in Canadian lumber imports, many of which are a direct result of Government policies on both sides of the border. Both Governments must take the appropriate steps to end the practices which have led to this problem. As an advocate of free trade, I am encouraged that finally there are bilateral trade talks concerning possible solutions to the problem.

In my many discussions with my counterparts in Canada, I have always stressed the need to engage in trade talks as the best solution to resolving disputes. However, Mr. President, I issue this warning to my friends in the Canadian Government: If the current bilateral talks do not produce results in curtailing Canada's share of the softwood lumber market in this country, then Congress will establish restrictions on those imports. I do not take pleasure in issuing this warning because this action would be, I fear, the opening shot in a trade war which would have lasting and negative impacts on both nations.

Mr. JOHNSTON. Mr. President, we are here to discuss the problem the U.S. lumber industries are having with Canada. Once again we are here to talk about the trade problems U.S. companies face in response to unfair trade practices. This time the problem emanates from Canada.

We have traditionally had a very favorable trade relationship with Canada and its Government is one of our closest allies. I do not want to undermine the friendship we have with our northern neighbor, that is not my purpose. But it has become increasingly apparent that the Canadian Government needs to realize that as legislators we stand united behind the efforts of the administration to find a workable solution to this timber issue.

Today U.S. timber companies are only operating at 80-percent capacity. The primary reason is that the Canadian Government subsidizes its lumber industry. The subsidies often come in the form of direct loans and grants. The most damaging subsidy to U.S. lumber industries, however, is the low stumpage price the Canadian Government provides its manufacturers. The U.S. lumber industries, of course, must bid competitively for the right to cut federally owned timber. These practices allow the Canadian lumber industry to obtain its timber for approximately one-sixth of the cost encountered by its United States counterpart.

In 1975, the Canadian share of the U.S. softwood market was 17 percent. This figure climbed to 33 percent by 1985. Without any agreed upon action by our Government and the Canadian Government, softwood lumber imports will continue to rise.

In 1983, the Canadian market share of softwood lumber in Louisiana was 6.6 percent. This figure may not sound devastating now, but we are all painfully aware of the effect imported Canadian softwood lumber is having on the Southeastern and Northwestern regions of our country. In the Northwestern States alone, 30,000 jobs have been lost since 1977 with numerous mills closing.

Commercial forest land comprises 51 percent of the total land area of Louisiana, 93 percent of which is owned by private forest owners. Competition with Canadian softwood is hurting Louisiana's domestic sales. States that traditionally buy Louisiana timber are buying the cheaper-priced softwood lumber from Canada. Louisiana's private forest owners cannot continue to compete with a country that is providing its industries with timber at one-sixth the price of U.S. markets.

Some 13,564 workers are employed by the lumber and wood products industry in Louisiana. In 1978, there were 31 active pine sawmills in Louisiana employing 5,200 people. Nine of these mills have closed since 1978 and

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the number of people working for the mills has been reduced to approximately 2,900. More mills will close, more people will be laid off, and U.S. timber sales will continue to decrease if we do not put a stop to Canada's unfair softwood lumber practices.

Mr President, I applaud the administration's efforts to negotiate a settlement with Canadian officials on the problem of timber imports. I am ready to work with my colleagues and the administration and hope that we can expeditiously correct the inequity U.S. lumber industries face as a result of unfair Canadian timber policies. The timber industry is simply too valuable to Louisiana's economy to allow this trend to continue.

Mr. HEFLIN. Mr. President, I rise today to join with many of my colleagues in addressing what is surely one of the most serious problems in my home State of Alabama and the entire Nation.

I speak of the problem in which the American timber industry currently finds itself due to the ever increasing level of imported timber from our neighboring country of Canada.

Mr. President, between 1978 and 1982, the consumption and production of softwood lumber by American timber firms fell by nearly one-third. American communities and families that depend on timber employment have been devastated. Over the past 6 years our lumber industry has closed over 250 lumber mills across the Nation. This has caused the loss of more than 30,000 American timber jobs since 1978 and, Mr. President, that number continues to rise. In 1984, lumber consumption in the United States set a new record high, yet the timber industry still took a pretax loss of over $300 million.

The clear reason for these problems is the increase in Canadian lumber imports. Thousands of homes in the United States are being built daily with lumber that has crossed the border.

As far south as Miami, construction camps prefer to build with Canadian lumber even if a domestic mill is located next door. Why would this happen? It is simple, Canadian lumber is cheaper. The reasons for this are many.

First, our domestic market is being drastically under sold by Canadian firms that operate the most modern and efficient computerized and laser guided sawmills in the world. And contrary to the private investment required in such plants in the United States, many of these mills were built using guaranteed loans from the Provincial or Crown governments.

To compound the problem, the timber to run these mills generally comes from vast acreages of timberland that is leased from the Canadian Government. Some leases span up to 25 years and insure the companies that hold them a cheap supply of raw material. Total cost for the lease holder is as low as $1 to $7 per thousand board feet. It is evident that publically owned stumpage is sold at prices low enough to ensure employment.

Mr. President, we all know the situation in our country is drastically different. Timber purchasers must bid for the right to cut federally owned timber. Environmental costs drive up the price of timber to be cut, and escalating prices in the marketplace are shared with the Government. This leads to much higher rates in the United States, particularly where competition for Government timber is intense. The result of these differences in appraisal and selling methods is that Canadian stumpage prices are about one-half of U.S. forest region 6 prices in good market years, and in some years may be as low one-sixth of the U.S. market prices.

Furthermore, strict environmental requirements in the United States contribute to increased stumpage prices. Before the U.S. Forest Service can offer any timber for sale, our laws require that they conduct a battery of studies. Fish and Wildlife biologists, hydrologists, landscape architects, soil scientists, civil and forest engineers, recreational specialists, and range managers as well as professional foresters, entomologists, and forest pathologists must each review a sale proposal to make certain that it meets all of the applicable State and Federal regulations.

After all of the various studies have been completed, the sale must then be prepared. Property and sale boundaries must be located and marked, contracts must be drawn, and then an environmental assessment or an environmental impact statement must be prepared. The additional cost attributable to these activities must be recovered through increased stumpage prices.

On the other hand, Canadian companies do not have to meet such strict environmental standards. They are allowed under their leases to operate as they see fit. They alone decide when, where, what, and how to cut.

Mr. President, I don't want to be misunderstood on this point. I am wholeheartedly in favor of the high standards necessary to protect our environment. We should feel proud to live in an environmentally aware Nation, and we must do our best to protect our forest. Nevertheless, the difference on Federal environmental regulation dues contribute to the difference in prices.

On top of these regulatory differences between the United States and Canada, the strong U.S. dollar has driven the rate of exchange from a difference of about 10 to 12 percent a few years ago to more than 30 percent last year, thus providing some advantages, even when all other costs are equal.

There are also the Canadian reload yards strategically located throughout the best marketing areas of the United States and the operators of these reload yards are not required to tie up a single cent for their inventory when markets are tight. They don't pay for anything unless it is sold. This is quite a contrast to the cash flow requirements of our own free market producers, this further helps the Canadians.

These factors have naturally caused the United States to be inundated with Canadian lumber. The Canadian timber industry has increased its share of the U.S. market from 19 percent to more than 30 percent and this number is rapidly growing.

Mr. President, I have not said anything here today that I have not said to this body before. I find it regrettable that I and so many of my colleagues must continue to come to the floor of the Senate and speak about the terrible problem in which our Nation's industries find themselves due to imports of one kind or another. However, Mr. President, the problem is real and the problem of Canadian lumber imports is one we must deal with soon. We must deal with this problem for the simple reason that no one else will.

Unless Congress passes legislation to address this problem quickly, more loggers, truck drivers, and thousands of sawmill workers will soon be out of work and find themselves standing in the unemployment line.

As I have said many times before, I am a firm believer in free trade. I believe that it is the backbone of the American system and truly one of the elements of our society that once made this Nation a leading figure in the international market. However, the rules of free trade must be followed by all involved. In this matter of Canadian lumber imports, such is not the case. The status quo must not be allowed to continue or escalate.

While I am not a fan of protectionist legislation, I do feel that until the Canadian Government and Canadian timber producers are willing to play by the rules of free and fair trade by their own choice, we must take the necessary steps to protect our own timber industry which is so very vital to our great Nation.

Thank you, Mr. President.

Mr. NUNN. Mr. President, the issue of Canadian lumber imports is obviously of great and growing concern to many of my colleagues and myself. Georgia is the second largest lumber-producing State in the Nation but I continually hear reports from Georgia millowners that they cannot compete with Canadian softwood lumber. The statistics support their contention as nearly 50 percent of the softwood lumber sold in Georgia comes from Canada.

Southern labor costs are lower than Canadian mill labor costs. Southern mill productivity is comparable to Canadian mill productivity and certainly southern transportation costs are, at the very least, equal to and more often cheaper than the cost of transporting British Columbian lumber to the

South. It definitely costs less to ship lumber from Valdosta, GA, to Atlanta than it does from British Columbia to Atlanta.

Differences in lumber quality and species do not explain why the Canadian market share has increased from 18.7 percent to 33.5 percent. Nor does the exchange rate explain why Canadian softwood lumber imports continue to flood into the United States.

The only explanation of why Canadian softwood lumber continues to increase its United States market share is that the Canadian provinces sell timber to Canadian companies in a noncompetitive market with prices set by a regulatory scheme in order to maximize Canadian mill employment. That's a perfectly legitimate objective but we do not have to accept it at the cost of lost U.S. jobs and closed mills here in the United States.

This is not a case of an inefficient U.S. industry being beaten in the marketplace by an efficient exporter. It's a case of our closest trading partner, Canada, subsidizing a very important domestic industry, lumber. The only reason for the vast increase of Canadian lumber in our market is that the Canadian systems of pricing their Government-owned timber gives Canadian producers an unfair advantage over United States mills. Stumpage in Canada sells for about one-tenth of what comparable stumpage sells for in the United States free market. It's because of this unfair advantage that I have cosponsored S. 1292 and why I urge my colleagues to join me. This legislation clarifies existing, ambiguous United States trade law and would allow the United States lumber industry to bring a countervailing duty against the Canadian timber subsidies.

One bright spot on the horizon is the possibility of a negotiated solution to this problem. Representatives of the Canadian Government and the United States Government are meeting to discuss the problem and hopefully to seek a speedy, meaningful resolution to it. I hope they succeed, but if they do not, we will have no choice but to take legislative action. The facts are too overwhelming. The U.S. lumber industry is being wronged and it will be up to us to help correct that wrong.

Mr. HOLLINGS. Mr. President, in South Carolina, trees and lumber have played a key role in our State's history. In 1776, the patriots of Fort Moultrie were able to repel the British fleet largely because the soft timber of the palmetto tree—which was used to build the walls of the fort—absorbed the impact of the British cannon balls.

Now, in South Carolina and throughout America's timber-producing States, we find the industry under a siege of a different kind. It is a war of competition. A trade war. And this time, the attack comes not from the British, but from our neighbor to the north, Canada.

As with textiles, steel, shoes, and a variety of other industries, our Government has decided to sit the battle out and allow an industry to be clobbered by subsidized imports. The Canadian lumber industry has taken more than 42 percent of the market in South Carolina and 34 percent of our national market. Since 1978, 30,000 American lumber workers have lost their jobs. In my State, three mills have closed and 300 jobs have been lost in the last year alone.

The reason this is occurring is quite simple. More than 90 percent of Canadian timber is owned by the Provincial governments. In order to stimulate local production and employment, these governments set very low stumpage prices for timber which is almost identical in quality and accessibility to that in the United States. Thus, lumber companies operating north of the border are able to cut timber at a fraction of the cost of cutting timber in America.

The result of this is a flood of inexpensive lumber pouring across the border from Canada. Our timber industry is competitive. Our lumber workers are productive. Yet common sense tells us that we cannot expect them to withstand this deluge of subsidized imports.

Now, the Reagan administration is negotiating a free trade agreement with Canada. How can we have free trade when the Canadians are flooding the United States with subsidized lumber?

The administration's lock-step adherence to this ridiculous notion of "free trade" is impossible to understand. The Commerce Department doesn't even recognize the setting of artificially low stumpage prices as a subsidy. What is it then? How desperate must things get for our timber industry before the administration wakes up and realizes that we're in the third quarter of a trade war? How much higher must our trade deficit soar? How many more industries must we lose to foreign competition? How many more jobs must we export?

I'm not mad at the Canadians. I'm mad at our leaders in Washington—and an administration which would sooner watch this Nation slide into Third World status than institute a sensible trade policy.

Clearly, before any free trade agreement with Canada passes congressional muster, the administration must resolve this problem. And if the administration does not, Senator BAUCUS, myself, and others have sponsored legislation that will. S. 1292, "The Wood Products Trade Act of 1985," would recognize the timber-pricing practices of the Canadian Provincial governments as a subsidy. It would modify the definition of a subsidy under U.S. trade laws to include natural resource "removal rights" which are dictated to a domestic industry at less than market value. Such practices, under the legislation, would then be subject to countervailing duty laws.

Mr. President, during the debate o textile trade legislation last fall, I sai right here on the floor of the Senat that textiles do not present the entir scope of our trade problem. That in dustry is only in the forefront. I sai then and I say now that until this ad ministration sets down and enforces trade policy, we in the Senate will con tinue to come to the floor month afte month with tales of industries in trou ble and exported jobs. What we ar faced with is an educational process. We're going to take every opportunity we can to bring our message to the ad ministration and let them know of the serious economic hardships caused by its failed trade policy.

We must look at the big picture, and seek a trade policy which will enhance the competitiveness of our industries. It is clear that we can not entrust this obligation to an administration which cannot see the forest for the trees.

Mr. PRESSLER. Mr. President, today I am pleased to join a number of my colleagues in discussing the issue of Canadian lumber imports. If the American timber industry is to survive, some actions must be taken against these subsidized lumber imports.

Lumber imports from Canada more than doubled between 1975 and 1984. During that period, Canada's share of the United States lumber market increased from 18 to 33 percent. This rapid increase in imports has had a dramatic impact on the U.S. timber industry. Since 1978, employment in the timber industry has declined by more than 30,000 people. These people live in areas where there is often no other employment. The timber industry is a major sector in South Dakota's economy and it has been adversely impacted by subsidized Canadian imports.

The major reason for the rapid increase in lumber imports is the subsidization of timber by the Canadian Government. Nearly all timber in Canada is owned by the Provinces. About 90 percent of the time, the Provincial governments sell this timber noncompetitively. As a result, the stumpage prices in Canada are well below the United States price. In many cases, the difference in stumpage prices is nearly $50 per million board feet. In 1982, the International Trade Commission investigated Canadian lumber imports and determined the United States industry was being injured. The cause of the rising imports was determined to be the low stumpage prices. Since timber is considered a natural resource, the low selling price is not considered a subsidy under trade law. As a result no action could be taken by the ITC against these lumber imports. I have cosponsored several bills and resolutions calling for action against Canadian lumber imports. Currently the administration is trying to negotiate

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with Canada on this issue, but to date the negotiations have been unsuccessful.

Mr. President, if no progress is made in the United States-Canada timber negotiations in the near future, I would urge Congress to take legislative action against these subsidized imports.

COMPETITIVE U.S. SOFTWOOD LUMBER INDUSTRY

Mr. WARNER. Mr. President, I am pleased to join with my colleagues in bringing to the Senate's attention the continuing problem of the importation of government subsidized Canadian softwood lumber into the United States market.

In order to better undersand the nature of this problem, I have discussed it with my constituents on several occasions, in particular with Mr. Wilber S. Doyle, chairman of the board of Doyle Lumber, Inc., of Martinsville, VA.

Doyle Lumber has held or reduced the line on labor costs and overhead in terms of real dollars over the past 5 years.

Over this period, productivity has increased such that Doyle Lumber is 25 percent more productive than the average Canadian firm, yet their profit line has come down from 3.5 percent to less than 1 percent on sales.

As Mr. Doyle has informed me, no industry can continue to invest and grow under these circumstances.

Indeed, this observation is borne out by an inspection of the state of the U.S. lumber industry nationwide.

From 1977 to 1984, a net of 629 United States mills closed, while 85 Canadian mills opened.

Tens of thousands of workers in logging camps and transportation have lost their jobs.

In 1984, the U.S. industry wrote off more than $550 million in assets and had $300 million in pretax losses.

However, an inspection of the Canadian industry reveals a very healthy picture.

Despite depressed prices, Canada currently enjoys about a $2 billion lumber trade surplus with the United States.

Canadian lumber imports have increases from 5.7 billion board-feet in 1975 to a projected 14.8 billion board-feet for 1985.

In 1975, Canadian lumber accounted for 18.7 percent of United States consumption.

By 1985, however, Canada had captured over one-third of our market.

If United States firms have been increasing productivity over this period and are now 25 percent more productive, how can we be losing business to the Canadian industry?

The simple answer is that, in Canada, about 95 percent of all timber is owned by the Provincial and Federal Governments and sold in a noncompetitive market, with prices set by a regulatory scheme.

By comparison, over two-thirds of U.S. timber is privately owned, and virtually all U.S. timber is sold competitively.

Canadian timber pricing simply does not reflect a fair market value.

Canadian stumpage immediately north of the border sells for much less than virtually identical lumber immediately south of the border.

In 1984, United States timber sold for, on average, $104.16 per thousand board-feet while Canadian timber sold for, on average, $11.84 per thousand board-feet.

Mr. President, the American softwood lumber industry is willing and eager to compete with the lumber industries of any nation.

However, they must compete on an even playing field.

They cannot compete with governments which insure a supply of raw products at absurdly low cost in order to prop up their industries in order to provide high employment rates.

We must take steps to make the field level for our own industry so that we can compete fairly and equally.

Mr. BENTSEN. Mr. President, a number of important problems should be placed on the agenda of the administration's proposed negotiations with Canada under the free trade area provisions of the 1984 Trade Act.

Under the 1984 act, the notification given to Congress on December 10, 1985, started a preapproval period running on the Canada trade negotiations, during which the trade committees in Congress have an opportunity to consult with the administration on Canadian trade issues of importance to Congress. We have many subjects on which consultation is appropriate, none more important than lumber imports.

Over 90 percent of Canadian timber is owned by Canadian Provinces and about 90 percent of it is sold noncompetitively. When this timber is cut, the resulting lumber is available at a price which may be as much as $50 per million board-feet less than the price at which timber is sold competitively in the United States. As a result, it is not surprising that Canada's share of the United States market for lumber has grown from less than 20 percent in 1975 to one-third today.

Canadian lumber has a dramatic effect in many parts of the United States. Between 1977 and 1984, 30,000 United States softwood lumber mill employees have lost their jobs; 629 softwood lumber mills have closed in the United States.

Without complete consultations with Congress on lumber and other issues, it will be difficult to build the necessary support for a free trade area with Canada.

It is not "consultation" for administration members to visit Senators in their offices for the purposes of convincing them not to adopt legislation, especially when the administration itself has not even testified with regard to the legislation—as in the case of the Telecommunications Trade Act.

Nor is it onsultation for the administration to tell us what it plans to do in trade a few hours before it announces to the press what it is going to do.

Consultation means coming to Congress to get our views on the situation, giving us the full international situation and an opportunity to react to administration proposals for action in the future. Over the 6 years since the end of the Tokyo round trade agreements, it is my observation that the administration's willingness to consult with Congress has declined seriously.

Lumber is a matter of great concern to those of us with substantial logging and lumber industries, and I would hope that the administration would find the time to consult with us over the next few weeks and take into account our concerns in developing the program for negotiating with the Canadians.

Mr. MITCHELL. Mr. President, I welcome this opportunity to join my colleagues today in discussing the problem of Canada's subsidization of timber. It is well known that the United States and Canada have the largest bilateral trading relationship in the world. This relationship should be founded above all on the concept of free and fair trade. Sadly, trade in lumber has not followed this admirable principle. The Government of Canada highly subsidizes the price of timber to its lumber industry. In contrast, U.S. timber is priced in the free market. Below-market pricing has allowed Canada to make significant new inroads into the United States lumber market, at the cost of thousands of American jobs, and millions of dollars of lost production.

If Canadian lumber mills were truly more efficient than their American competitors, such a cost, though no less painful, could at least be economically justified. The facts show clearly however, that Canadians are not better at producing lumber than Americans. According to the ITC, the average unit cost of lumber production was almost identical in Canada and the United States in 1984. Yet, despite higher transportation costs, Canada is increasingly able to undersell American lumber. Further, the trend has little to do with fluctuations in the exchange rate. One cannot but conclude that artificially low stumpage prices in Canada enable the country's industry to compete so effectively.

In the interest of fair trade, Canada must end its practice of selling timber to its lumber industry at artificially low rates. At this time the President's Trade Representative is negotiating with representatives from Canada toward that end. I sincerely hope that the negotiations will result in a commitment from Canada to end subsidy practices. If they do not, we in the Senate must commit ourselves to strong action to redress this problem. American lumber producers deserve no less. We are not seeking protection fo

our lumber industry: The best solution would be a simple end to subsidization in Canada. One way or the other, I hope we see this solution soon.

Mr. DANFORTH. Mr. President, the growth of Canadian lumber imports into the United States is one of the most serious trade problems confronting our two countries. During the past decade, Canada's share of the United States' lumber market has grown rapidly, and the trend shows no sign of abating. Thousands of American jobs have already been lost in milling, logging, and hauling.

The Canadian lumber trade problem is of immediate concern to Congress not only because of the adverse impact it is having upon our domestic lumber industry, but also because of its impact as a potential irritant in the upcoming bilateral trade negotiations between the United States and Canada. Preparations for the Free-Trade-Area (FTA) talks are now underway, and for these negotiations to succeed, there must be an expeditious resolution of the lumber trade issue.

The special order session today marks an important step toward that goal. I commend Senators SYMMS and BAUCUS, Chairman PACKWOOD, and others for their efforts in raising the visibility of the Canadian trade lumber problem and in pushing for a just solution.

Mr. HEINZ. Mr. President, the U.S. lumber industry is but one of many industries in the United States being denied the protection that the Congress intended when we amended the countervailing duty provisions included in the 1979 Trade Agreements Act. This unfortunate state of affairs is a direct result of the Commerce Department's mistaken interpretation of the definition of a domestic subsidy contained in that statute.

The countervailing duty law is designed to ensure fair competition in the U.S. market by removing any advantage exporters receive through subsidies from their governments. This is done by imposing duties that offset the amount of subsidization found by the Commerce Department. For most of our largest trading partners—those countries who have agreed to the Subsidies Code or who have assumed substantially equivalent obligations with respect to the United States—there must also be a finding that the subsidized imports materially injure a U.S. industry before duties can be imposed.

By defining subsidies broadly and coupling this definition with an injury test, Congress sought to avoid arbitrary and technical denials of relief to U.S. industries suffering from unfair foreign subsidies. Indeed explicit assurances were provided to me on the Senate floor that the language in the statute reflected this purpose. Yet the Commerce Department has chosen to ignore the clear purpose of the statute, going to great lengths to exclude what are plainly industrial targeting and subsidy practices.

Perhaps the most egregious and unfair narrowing of the definition of a subsidy is the Commerce Department's interpretation of the so-called "specificity test." The statute provides an illustrative list of practices that, if provided to "a specific enterprise or industry, or group of enterprises or industries," will be considered a countervailable subsidy. The limiting words in the definition were included to ensure that the widest Government programs such as roads, schools, the Armed Forces and the like, that are not targeted at particular industries, would not be considered subsidies. The Commerce Department has then taken this reasoning to subvert the fundamental purpose of the subsidy definition. Any Government program that is not by its terms explicitly directed at an industry or group of industries is considered by the Department to be "generally available" and therefore not a subsidy, even though the actual effect of the program is to benefit a specific industry that injures its U.S. competitors.

Two examples of this tortured reasoning should suffice. In the Certain Softwood Products from Canada investigation, the Department found that Canadian Provincial programs that provide Canadian lumber manufacturers with the right to harvest trees for a small fraction of their actual value are not subsidies, because they are "generally available" to anyone who wishes to harvest trees, even if no one but the forest products industry has any use for them.

In Carbon Black from Mexico, the Department held that the Mexican Government was not providing a subsidy when it refused to sell a byproduct of the petroleum refining process called carbon black feedstock to United States producers of carbon black, and instead transferred it at a much lower price to two Mexican companies, who then exported carbon black to the United States, injuring the United States industry. The feedstock is only used to produce carbon black. Therefore, no purchasers other than the two Mexican carbon black producers possibly could have been interested in purchasing the feedstock. Nevertheless, the Department held that because the feedstock was available to any Mexican company that wished to purchase it for the unfairly low price, the price was not a subsidy.

One type of subsidy included in the statute's illustrative list of domestic subsidies is the provision of goods and services at preferential rates. As if to add insult to injury, the Department's interpretation of this preferentiality language sets up an additional hurdle for domestic companies confronting unfair low prices of foreign-government controlled input products. The Department has held that a price, no matter how low, is not preferential unless it discriminates against some purchasers in the exporting country. Thus, in the feedstock example I just mentioned, because the two companies purchased feedstock for the same below-market price, the Commerce Department would have found that the price was not "preferential" because it was the same for both companies, and, therefore, would have found that the below-market price for the feedstock was not a subsidy.

There is no basis for Commerce's position in the statute or in policy. Insisting that "preferential rates" means only differing rates within the exporting country rather than differing rates from commercial practice or a world market again contradicts the congressional purpose of broadly defining subsidies. Moreover, whether the United States should remedy an unfair foreign subsidy that injures U.S. industry should not depend as a policy matter on the existence of discrimination against domestic suppliers in the foreign country.

Viewed from the point of view of a U.S. industry forced to compete with exports that are subsidized by foreign governments, the general availability and preferentiality doctrines make no sense. It is small comfort for U.S. industries to know that the reason they cannot receive relief from unfair foreign subsidies is because other industries in the exporting country also are subsidized. Where these industries also export, we have the anomalous situation of the Commerce Department providing relief if one industry is affected by the subsidy, but refusing to do so if a number of industries are affected in the same way by the same subsidy. The situation is no different when one considers the preferentiality doctrine. The United States lumber industry is injured by its Canadian competition's access to below-market timber regardless of whether the Canadian pulp and paper industry also has access to below-market timber.

When Congress amended these laws in 1979, we provided for greatly expanded opportunities for judicial review, in order to prevent just this sort of maladministration of these statutes. I am gratified that the Court of International Trade has recently rejected the Commerce Department's crabbed interpretation of the countervailing duty law, and has ordered the Department to determine whether Mexican companies were benefiting from unfair low prices of natural gas and carbon black feedstock, and, if so, to impose countervailing duties. The case is titled *Cabot v. United States*, 620 F. Supp. 722 (Ct. Int. Trade 1985).

Unfortunately, the Commerce Department has refused to comply with the Court's order, and, instead, is attempting to appeal. We can only hope that courts succeed in forcing the Department to administer the law correctly. If no resolution appears imminent, then I believe Congress must act to ensure that the unfair and harmful subsidy practices of foreign govern-

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ments are offset by the imposition of appropriate countervailing duties, regardless of whether such subsidies are provided to one or many industries, and regardless of whether all companies in the subsidized industry benefit equally.

Mr. President, I believe it is clear that the Reagan administration has made a major trade blunder. Their continued insistence on giving way to unfair trade practices directly undermines President Reagan's stated policy of cracking down on dumping and subsidies.

I demand that the administration reverse their clearly wrong decision, abide by the judgment of the Court of International Trade, and withdraw their appeal forthwith.

Mr. President, I ask that an excerpt of my colloquy with Senator Ribicoff from the debate on the Trade Agreements Act of 1979 be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Mr. HEINZ. I thank the Senator from Connecticut.

Another major area of controversy in our negotiations with the administration was the concept of subsidy, both its definition and method of calculation. The existing countervailing duty law does not contain a detailed definition of a subsidy or bounty or grant. Similarly, the concept of net subsidy is undefined, which has led to some serious abuses by the Treasury Department in its attempt to reduce the amount of subsidy to levels sufficiently low to mollify our trading partners.

In order to eliminate this unfortunate practice, the committee has sought to more clearly define the concept. First, we have provided a specific, though not inclusive, list of subsidies including all those listed in annex A of the Subsidies Code, which I ask unanimous consent be included in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ILLUSTRATIVE LIST OF EXPORT SUBSIDIES

(a) The provision by governments of direct subsidies to a firm or an industry contingent upon export performance.

(b) Currency retention schemes or any similar practices which involve a bonus on exports.

(c) Internal transport and freight charges on export shipments, provided or mandated by governments, on terms more favourable than for domestic shipments.

(d) The delivery by governments or their agencies of imported or domestic products or services for use in the production of exported goods, on terms or conditions more favourable than for delivery of like or directly competitive products or services for use on the production of goods for domestic consumption, if (in the case of products) such terms of conditions are more favourable than those commercially available on world markets to its exporters.

(e) The full or partial exemption, remission, or deferral specifically related to exports, of direct taxes[1] or social welfare charges pair or payable by industrial or commercial enterprises.[2]

(f) The allowance of special deductions directly related to exports or export performance, over and above those granted in respect to production for domestic consumption, in the calculation of the base on which direct taxes are charged.

(g) The exemption or remission in respect of the production and distribution of exported products, of indirect taxes[1] in excess of those levied in respect to the production and distribution of like products when sold for domestic consumption.

(h) The exemption, remission or deferral of prior stage cumulative indirect taxes[1] on goods or services used in the production of exported products in excess of the exemption, remission or deferral of like prior stage cumulative indirect taxes on goods or services used in the production of like products when sold for domestic consumption; provided, however, that prior stage cumulative indirect taxes may be exempted, remitted or deferred on exported products even when not exempted, remitted or deferred on like products when sold for domestic consumption, if the prior stage cumulative indirect taxes are levied on goods that are physically incorporated (making normal allowance for waste) in the exported product.[3]

(i) The remission or drawback of import charges[1] in excess of those levied on imported goods that are physically incorporated (making normal allowance for waste) in the exported product; provided, however, that in particular cases a firm may use a quantity of home market goods equal to, and having the same quality and characteristics as, the imported goods as a substitute for them in order to benefit from this provision if the import and the corresponding export operations both occur within a reasonable time period, normally not to exceed two years.

(j) The provision by governments (or special institutions controlled by governments) of export credit guarantee or insurance programmes, of insurance of guarantee programmes against increases in the costs of exported products[4] or of exchange risk programmes, at premium rates, which are manifestly inadequate to cover the long-term operating costs and losses of the programmes.[5]

(k) The grant by governments (or special institutions controlled by and/or acting under the authority of governments) of exports credits at rates below those which they actually have to pay for the funds so employed (or would have to pay if they borrowed on international capital markets in order to obtain funds of the same maturity and denominated in the same currency as the export credit), or the payment by them of all or part of the costs incurred by exporters or financial institutions in obtaining credits, in so far as they are used to secure a material advantage in the field of export credit terms.

Provided, however, that if a signatory is a party to an international undertaking on official export credits to which at least twelve original signatories[6] to this Agreement are parties as of January 1, 1979 (or a successor undertaking which has been adopted by those original signatories), or if in practice a signatory applies the interest rates provisions of the relevant undertaking, an export credit practice which is in conformity with those provisions shall not be considered an export subsidy prohibited by this Agreement.

(l) Any other charge on the public account constituting an export subsidy in the sense of Article XVI of the General Agreement.

FOOTNOTES

[1]For the purpose of this Agreement:

The term "direct taxes" shall mean taxes on wages, profits, interest, rents, royalties, and all other forms of income, and taxes on the ownership of real property.

The term "import charges" shall mean tariffs, duties, and other fiscal charges not elsewhere enumerated in this note that are levied on imports.

The term "indirect taxes" shall mean sales, excise, turnover, value added, franchise, stamp, transfer, inventory and equipment taxes, border taxes and all taxes other than direct taxes and import charges.

"Prior stage" indirect taxes are those levied on goods or services used directly or indirectly in making the product.

"Cumulative" indirect taxes are multistaged taxes levied where there is no mechanism for subsequent crediting of the tax if the goods or services subject to tax at one stage of production are used in a succeeding stage of production.

"Remission" of taxes includes the refund or rebate of taxes.

[2]The signatories recognize that deferral need not amount to an export subsidy where, for example, appropriate interest charges are collected. The signatories further recognize that nothing in this text prejudges the disposition by the Contracting Parties of the specific issues raised in GATT document L/4422.

[3]The signatories reaffirm the principle that prices for goods in transactions between exporting enterprises and foreign buyers under their or under the same control should for tax purposes be the prices which would be charged between independent enterprises acting at arm's length. Any signatory may draw the attention of another signatory to administrative or other practices which may contravene the principle and which result in a significant saving of direct taxes in export transactions. In such circumstances the signatories shall normally attempt to resolve their differences using the facilities of existing bilateral tax treaties or other specific international mechanisms, without prejudice to the rights and obligations of signatories under the General Agreement, including the right of consultation created in the preceding sentence.

Paragraph (e) is not intended to limit a signatory from taking measures to avoid the double taxation of foreign source income earned by its enterprises or the enterprises of another signatory.

Where measures incompatible with the provisions of paragraph (e) exist, and where major practical difficulties stand in the way of the signatory concerned bringing such measures promptly into conformity with the Agreement, the signatory concerned shall, without prejudice to the rights of other signatories under the General Agreement or this Agreement, examine methods of bringing these measures into conformity within a reasonable period of time.

In this connection the European Economic Community has declared that Ireland in tends to withdraw by 1 January 1981 its system to preferential tax measures related to exports, provided for under the Corporation Tax Act of 1976, whilst continuing nevertheless to honour legally binding commitments entered into during the lifetime of this system.

[4]Paragraph (h) does not apply to value-added tax systems, and border-tax adjustment in lieu thereof and the problem of the excessive remission of value-added taxes is exclusively covered by paragraph (g).

[5]The signatories agree that nothing in this paragraph shall prejudge or influence the deliberations of the panel established by the GATT Council on 6 June 1978 (C/M/126).

[6]In evaluating the long-term adequacy of premium rates, costs and losses of insurance programmes, in principle only such contracts shall be taken into account that were concluded after the date of entry into force of this Agreement.

[6]An original signatory to this Agreement shall mean any signatory which adheres ad referendum to the Agreement on or before 30 June 1979.

Mr. HEINZ. In addition, however, the committee included in its subsidy definition four types of domestic subsidies:

If provided or required by government action to a specific enterprise or industry, or a group of enterprises or industries, whether publicly or privately owned, and whether paid or bestowed directly or indirectly on the manufacture, production, or export of any class or kind of merchandise:

(i) The provision of capital, loans, or loan guarantees on terms inconsistent with commercial considerations.

(ii) The provision of goods or services preferential rates.

(iii) The grant of funds of forgiveness of debt to cover operating losses sustained by a specific industry.

(iv) The assumption of any costs or expenses of manufacture, production or, distribution.

This list is intended to define as subsidies some of the more egregious practices of our trading partners and to include, among others, the practices and objectives listed in articles 11 of the Subsidies Code.

The point of this language and these examples, Mr. President, is to define subsidy broadly so as to catch within the scope of our law as many unfair trading practices as we can. That, of course, does not mean we countervail, because injury must also be found. It was the committee's intent, however, that the Treasury Department, or whatever administering authority ends up with this new law, not resolve petitions by arbitrarily concluding that various practices are not subsidies. Better to define the term broadly, as it ought to be defined, and then use the injury test as it is intended to be used.

Can the managers of the bill confirm for me these comments on the definition of subsidy?

Mr. RIEGLE. May I respond that I can confirm the Senator's comments, and the Senator is correct.

Mr. MURKOWSKI. Mr. President, one of the strongest and most appealing arguments for allowing Canada to dominate our lumber market is the economic one.

If Canada wants to send us her timber-based products at distress prices, we should gladly accept, according to this argument, even if it means closing down our own industry. In the long run, the value of U.S. timber products will go up, and even Canada will have to buy from us at higher prices if we are patient enough.

There is another part to that argument. Lower prices are good for the American consumer, and lower lumber prices can reduce the cost of housing in this country and make it possible for more U.S. buyers to buy homes and for all U.S. buyers to get more home than they otherwise would be able to get.

Take that long run argument, first.

In order to get there, you first have to survive the short run. Carried to its extreme, this thesis would allow a foreign competitor to have as large a piece of the U.S. market as it wanted to buy, using subsidies. In theory, the whole U.S. industry could be put into mothballs.

The trouble is that you cannot put an industry in mothballs.

Plants would deteriorate, companies would fail into bankruptcy, lenders would have to write off defaulted loans, investment in new processes and new plants would be impossible, and even the investments needed to grow and protect forests could not be financed, with no cash flow. That is the economic side of the counterargument.

The human side is worse. Pragmatically, you could say that it would be more efficient, in the long run, to allow logging and lumbering communities to die. People would move away; they would have to. Maybe someone would come back, in the long run, when Canada ran out of trees.

But it would not be the people who would lose their homes today, who would have to beg for financial assistance and job retraining today. It would not be the businessmen who would see their investments become worthless, and whole communities who would have to tell their children there was no money for college and no prospect of any. We would have to sacrifice a whole generation of businesses and families just to get some potential benefits in the long run.

And there would not even be any long term benefits if Canada managed to keep growing timber, using the profits it is making on lumber, and if our rate of timber growth slacked off because our loss of that market made it impossible to invest in forestry at the current rate.

In regard to consumer benefits, there do not really appear to be any in the present situation.

A business school study in mid-1985 indicated that the low prices generated by Canada's inroads into our markets makes possible savings of up to $2,000 in the average house. That is a significant amount, and the National Association of Home Builders rightly defended it.

But the Congressional Budget Office took a somewhat closer look at all of the factors in that study and came to a different conclusion.

Allowing Canada free rein in our lumber market does produce a saving, but not of $2,000. CBO said the saving on an average house is $297.

Nationwide, the average price of a new home is in the neighborhood of $80,000, so a saving of that magnitude would correspond to three or four tenths of 1 percent. A better grade of carpet, a different front door, even a refrigerator icemaker could make a bigger difference.

The home builders' association, when it realized the first figures were distorted, changed its position on Canada, even though Canadian manufacturers still are quoting the incorrect numbers.

I think we would be hard put to find any homebuyer who would support the destruction of a major American industry for a price cut of $300 on an $80,000 house.

And I think it is impossible for the U.S. Government to justify the destruction of that industry on the basis of arguments that are even related to these.

Canada is confident of the economic benefits of what it is doing, and the policies of Canada are not designed for the economic betterment of the homebuyer or any other American. They are designed for the welfare and benefit of Canada, and Canadians. As they should be. I am not speaking today as an opponent of Canada or Canada's policy, but, rather, the necessity of the old cliché that sharing begins at home.

Our task here today is to make it clear that the policies of the United States should just as clearly promote the economic welfare of the people and the citizens of this country. Putting the so-called economic argument advanced by the Canadian Government in its proper perspective is an important part of that task.

Mr. SPECTER. Mr. President, although the U.S. lumber market is booming, the U.S. lumber industry, one of the most efficient in the world, faces serious problems. Tens of thousands of lumber workers are out of work. Hundreds of mills are closed. Based on information provided by the Forest Products Coalition, I am deeply concerned that depressed lumber prices are caused by Canadian overproduction.

Since 1975, I am informed Canadian production has increased dramatically. Recent reports indicate that more than two-thirds of Canada's production is shipped to the United States. As a result, Canada's share of the United States market has risen greatly.

I am concerned that Canada's production is induced by unnaturally low prices for provincial stumpage. Canadian firms appear to receive stumpage for a small fraction of what U.S. firms pay for comparable stumpage. Since the Canadian provincial governments own the vast majority of Canadian timber, it is asserted that they can sell it to producers at prices which fail to place market constraints on Canadian production. If Canada subsidizes its lumber industry, this can only have adverse effects on Pennsylvania's 600,000 timber owners and timber, paper, and related industry employees.

Free trade is fair trade and this implies that there is balance and equality in trade practices. U.S. lumber producers need an opportunity to compete in a fair, competitive market. I strongly support any efforts which are necessary to ensure fair play and a level playing field for the American lumber industry.

Mr. D'AMATO. Mr. President, I rise today with many of my colleagues to express concern over increase imports of Canadian lumber at very low prices. This is causing severe economic distress in the domestic lumber industry.

At a time when we are about to begin negotiations with our neighbors to the north on a free trade area agreement, I am astounded by their refusal to stop flooding the U.S. market with lumber products. The issue focuses upon the Canadian Government subsidizing many of its industries, including lumber. Despite the softwood lumber industry's modernization and efficiency it cannot compete against the treasury of a foreign nation.

Mr. President, I support the free trade area negotiations with the Canadians. We share much more than a common border. However, I strongly

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recommend that the subsidization of its lumber industry be discontinued before we pursue these negotiations further.

Thank you, Mr. President.

Mr. BAUCUS. I yield to my colleague, the senior Senator from Montana [Mr. MELCHER].

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I thank my colleague. I wish to participate in this dialog on the problems that the timber industry in the United States is currently facing.

Canada, our good neighbor, subsidizes the timber industry through the price of the trees in their nationally owned forest. The subsidy occurs when they lower the price of the trees. That makes logs cheaper for the sawmills in Canada and that brings up the classic economic rule that when supply exceeds demand, the prices of the product decline. That is exactly where we are right now.

There is little question that the U.S. timber producers can compete aggressively on a level playing field. However, they cannot hope to compete against products the price of which is based on natural resource subsidies that bear no relation to the fair market value.

Canada is indeed entitled to set their prices as low as they desire in their own country, but the United States must not allow the importation of the subsidized lumber if it wrecks a domestic industry in our country. But we are doing just that. We can change the amount of the Canadian imports and we should. That is our prerogative.

Those of us who represent States on the border with Canada are very much aware of the presence of unresolved trade differences. The Canadian Government must understand that give and take between our two governments is a fact of life, accepted on both sides of our common border. The current United States trade with unrestricted imported Canadian lumber is a severe hemorrhage that is not acceptable.

Mr. President, the second current severe problem afflicting the domestic timber industry involves the threat of increasing taxes on the industry. That proposal is contained in the House-passed bill now under consideration in the Senate Finance Committee and the proposal to increase the domestic timber industry's taxes is one that would very much threaten the continuation of many of these companies.

In so doing, if they are driven out of business by this twofold problem we have right now—the low market price for lumber products and the threat of increasing the taxes if the Senate should pass the House-passed bill with that feature in it—that is totally unacceptable. Our work is cut out for us in the Senate—first of all, to draw the public's attention to matters that are afflicting our domestic industry. We are doing that in these special orders arranged for by my colleague [Mr. BAUCUS].

Second, we must make sure that if there is going to be a tax bill this year, it does not contain this feature which would impose an additional tax burden on the domestic lumber industry, one which they can ill afford and which, if inflicted upon them, would decrease the number of jobs available in an industry that is already on its knees.

Mr. BAUCUS. Mr. President, I am very grateful for my colleague's statements, particularly for pointing out other issues such as the impact of potential tax law changes on the forest products industry. As the Senator stated, the House bill, H.R. 3838, imposes a very severe additional burden on the forest products industry with the changes that bill makes in tax law, particularly as applied to the forest products industry.

I thank the Senator for joining with me and others. It is my hope that that bill will be modified, on this side of Capitol Hill, changed very significantly so that those adverse provisions will not remain in any tax bill that may pass this year and be signed by the President.

Mr. President, I am very grateful to all the Senators who have spoken. At least 15 Senators have come to the floor to speak personally on this issue and very directly state to the Government of Canada and to remind our American negotiators that the Government of Canada, particularly the provinces, must change its ways. They must become free traders. They can no longer practice unfair protectionist measures such as subsidizing their forest products industry.

We are all Americans. It is our hope that all of us as North Americans are particularly close and will work particularly closely together.

The Government of Canada is urging the United States to agree to a free trade agreement. It is obvious that the Government of Canada and the Canadian people by and large want to have closer ties with the United States; they want to have not only more open, more free trade but they want a free trade agreement.

It is important, if we do have a free trade agreement with the Government of Canada, that it is in fact free trade. Canada must not continue to subsidize the sales of its trees to Canadian lumbermills at below market value. On average the price the Canadians charge to Canadian lumbermills is about one-tenth the price that the American Government, particularly the United States Forest Service, charges American sawmills when they purchase timber off of Forest Service lands.

The PRESIDING OFFICER. All of the time of the Senator from Montana has expired.

Mr. BAUCUS. Mr. President, I ask unanimous consent to proceed for 1 additional minute.

Mr. PROXMIRE. Mr. President, I think I am next in order. I yield 1 minute of my time to the Senator from Montana.

Mr. BAUCUS. Mr. President, I thank the Senator. I am grateful to the Senator from Wisconsin, who I know has 15 minutes. I will be very, very brief.

Mr. President, I thank all Senators for participating and I hope that we made a very strong point and give a clear message to the people of Canada and the Government of Canada so that we can quickly and easily and forthrightly resolve this issue so we do not have to come back and address it again.

Mr. President, I thank the Chair and I also particularly thank the Senator from Wisconsin.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. The Senator from Wisconsin is recognized under a special order for not to exceed 15 minutes but at 11:30 the time closes, so the Chair will be lenient.

ARGENTINA-BRAZIL NUCLEAR PACT DEPENDS ON UNITED STATES

Mr. PROXMIRE. Mr. President, on December 30 the Washington Post's lead editorial rejoiced in the joint declaration between Argentina and Brazil committing the two countries to "nuclear cooperation." Of course, the cooperation is very welcome, indeed. Brazil and Argentina have taken a constructive step. But there was a strange omission from this Washington Post editorial. Think of it. Here is a leading American newspaper. It analyzes the contribution this agreement between two developing countries in South America makes to nuclear peace. It does so without a whisper or a hint about the overwhelming threat of United States and Soviet development of new nuclear weapons technology on Agrentina and Brazil.

Consider: Leading American newspapers, like the Washington Post, are read by top American nuclear weapons policy makers. The Washington Post readership in Argentina and Brazil must range from small to insignificant. But American nuclear weapons policymakers have a certain and direct effect on the nuclear policies followed by Argentina, Brazil, and other potential nuclear powers throughout the world.

For example, the administration has refused to negotiate with the Soviet Union to try to achieve an agreement that would end nuclear weapons testing. That refusal flaunts promises made by the United States in two treaties. The Soviet Union unilaterally stopped testing for 5 months in 1985 in an attempt to persuade the United States to negotiate an agreement to end testing. They extended that unilateral cessation for several months

middle class left, the business leaders left, they took their capital with them and the only political alternative remained as the Sandinistas. We have been experiencing that regrettable result ever since.

The problem is not the administration's goals, the problem is the question of whether the administration's goals can be reached by their tactics. I would suggest to you that $100 million is not enough to topple the Sandinistas, $100 million is not enough to reform the Sandinistas; it is enough to get us on the slippery slope to direct involvement when what we ought to be doing is getting in the driver's seat on efforts to achieve negotiations as we have been asked to do by all of the regional forces, by all of our allies within the region.

I would suggest that if America really wants to defend our interests in Central America we will ignore the bile that came out in Mr. Buchanan's poor imitation of McCarthyism in the Washington Post this morning.

I am from Wisconsin; I recognize a classy brand of McCarthyism when I see it. And I also recognize a second-rate brand. And we were treated to that this morning in the Post.

If this country really wants to defend our interests we will heed the words not of Mr. Buchanan who really I think knows better, he has got a good education, and he knows better, and we will instead heed the words of the gentleman from California because he has laid out with, I think, exquisite clarity the direction in which our policy ought to be headed if we really do want to defend the interests of the United States, not just today but tomorrow and tomorrow and for years to come.

THE SITUATION IN THE FAILING LUMBER INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho [Mr. CRAIG] is recognized for 60 minutes.

(Mr. CRAIG asked and was given permission to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker and my colleagues in the House, I have taken this special order this evening to discuss what is a domestic crisis in our country, a domestic crisis that in large part abounds in the forest products-producing regions of this country. At a time when the U.S. lumber markets are booming we have a lumber industry that is facing near economic disaster. How could that be? With interest rates down, strong housing markets have boosted U.S. lumber consumption in 1984 to a record of 43 billion board feet. At current rates with a continuing-to-decline mortgage interest rate, 1985 consumption, when calculated, will well have reached 44.4 billion board feet.

Despite this record demand and a highly competitive U.S. industry, U.S. producers are suffering as lumber prices remain terribly depressed.

From 1977 to 1984, 629 U.S. lumber mills were forced to close their doors. In the same period of time the number of Canadian softwood lumber mills actually increased by a number of 85. From 1977 to 1984 over 30,000 U.S. workers employed directly by softwood lumber mills lost their jobs as U.S. mill employment dropped over 25 percent from 119,553 to 89,133.

Thousands of other workers in logging camps and related industries have also been forced out of work. In 1984 alone the U.S. industry faced pretax losses of $300 million. That year, the sixth largest U.S. producers wrote off over half a billion dollars in softwood lumber assets.

Despite a highly efficient U.S. industry, a natural competitive advantage, and record levels of lumber consumption, the health of the U.S. industry is suffering greatly.

The question must remain then why is this happening? There are reasons. I mentioned earlier that the Canadians, as we close our doors, open new doors. Both the Canadian and United States lumber industry I think now recognize the cause in this unique environment. It is called overproduction. Since 1975 Canada's production of softwood lumber has increased 103 percent from 10.9 billion board feet to 22.1 billion board feet. At the same time U.S. production increased by only 20 percent, from 25 billion board feet to 30.9 billion board feet.

Canadian production is running 75 percent, I repeat, 75 percent above its historic level.

U.S. production is running only at 8 percent above its historic level. In 1985 Canada was shipping 66.8 percent of its softwood lumber production to the United States as compared with 52.0 percent in 1975. In the first 9 months of 1985 Canadian softwood lumber shipments in the United States were running at 12 percent above the record levels of 1984. In 1975 Canada controlled only 18 percent of the United States market. In the first 9 months of 1985 Canada controlled 33.5 percent of the United States market.

That is why our lumber market is booming but our industry is dying. In 1983 Canada controlled 63.3 percent of the Northeast lumber market, 51.5 percent of the Midwest market, and 25.9 percent of the Southern market, 11.1 percent of the Western market.

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That is a crisis problem. That is why I have taken this special order out this evening, and I ask my colleagues here in the House to join with me in discussing this issue. It is a timely issue that must be addressed by this Government. It must be addressed by this House and by the body across the Rotunda.

No time is left if we are to save our forest products industry and the thousands of jobs that depend on that industry, not just in the Pacific Northwest and in the State of Idaho that I represent, but in the Northeast and in the Southeast and across the country.

Once a thriving industry with an abundant resource from which to live from, with thousands of people at work today, now with 7.1 million housing starts growing toward 2 million, a booming housing industry, and yet our forest products industry dies.

So I have enlisted the support of my colleagues tonight. Mr. Speaker, I would first like to recognize my colleague from Montana, PAT WILLIAMS, who represents a large forest products producing area, who has agreed to join with me in this special order.

Mr. WILLIAMS. Mr. Speaker, I thank my colleague and neighbor from Idaho, and I want to commend the gentleman for what is genuine leadership on a difficult issue in our region.

Mr. Speaker, it is getting so out our way we are almost afraid to pick up the morning paper. Let me share with my colleagues the last two stories in the morning papers.

This one says, "Mill's Shutdown Stuns Superior." Superior is a little community out in Montana with about 2,000 people. In today's paper, that mill has gone down, another little mill in another little town. That is going to put about 70 or 80 people out of work.

The unemployment rate in that little town is already 13 percent, and the job service officer says that with this layoff and the resulting effects of unemployment, it is probably going to go through the roof.

I guess it was just the day before, I picked up the paper and, in a wonderful county out there called Lake County, a county of about 20,000 people, there is a town named Polson. Polson's mill has temporarily shut down, and at least 40 workers are directly out of work. Now, 40 fewer families in a small community hurts out our way, and this has been happening week after week for year after year.

Part of the problem is Canadian imports. In 1954, those imports amounted to 9 percent of America's domestic softwood market. Just 10 years later, the number jumped from 9 percent to 15 percent. Ten years after that, that 15 percent had gone to 20 percent, and now it has gone to 31 percent.

We all understand that overproduction is part of the problem. Both the Canadian and the United States industries understand that. But at current rates, Canadian production will grow to 21¼ million board feet, and that is an increase of 96 percent in just 10 years. U.S. production will have grown by 19 percent over that same period.

So, yes, we have some trade bills before the Congress, and we expect that the Trade Emergency and Export Promotion Act is going to come before the Congress, because, as the gentleman from Idaho knows, it is almost a last resort. We are going to be supporting it as a reasonable way, many Mem-

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bers are, to try to get some control of a lot of these imports, including the Canadian imports. I am going to support it.

Mr. Speaker, I want to do something else again. I want to try with my friend from Idaho at least one more time with a letter and maybe another personal visit, as we did before, and some telephone calls to the Canadians asking them to join us in a consortium, a trade consortium.

Here is what we recommended to them earlier. We recommended this to the Minister of Forests in the Province of British Columbia, our neighbors to the north, good neighbors and good friends. We recommended to them that the States of the Pacific Northwest and some of the softwood lumber States of the South come together with the Provinces of British Columbia, Quebec and Ontario, the big timber provinces up there, to form a trade consortium to expand our markets on the Pacific Rim.

Well, we sent that letter about a year ago and they have not answered it. They have not even answered it. It was signed by the Members of Congress from our region.

So I am going to try again. I hope my colleagues from Idaho and Washington and Oregon and other places will join me again. This time, maybe instead of writing to the Minister of Forests in the Province of British Columbia, we will write to Premier Donald Getty of Alberta, Premier William Bennett of British Columbia, and Premier Grant Devine of Saskachewan and see if they will not join us in trying to expand our market which will help oversupply, and we will keep our two great countries, with the longest unprotected border in the world, as good neighbors. We should come together in this consortium.

So I say to my friend from Idaho, along with the trade bill which we are going to be considering, let us try again to come together as good neighbors with our friends to the north and form this trade consortium and expand markets overseas. With the dropping dollar, it really might be a good time to form this consortium.

Mr. Speaker, again I thank my colleague from Idaho for his leadership and his generosity with the time that the gentleman has given me here in this late afternoon.

Mr. CRAIG. Mr. Speaker, I thank my colleague from Montana. My colleague's district in Montana is much like my district in north and north central Idaho, made up of large expanses of public land, U.S. Forest Service land, an area that has built its economy off a timber base and built the whole general economy of the region from the productivity of its work forces and its mills and its forest products base. Of course, now that base remains, but the ability to market it and to move it to market profitably is clearly at stake.

Mr. Speaker, I would now like to recognize my colleague from the State of Washington, ROD CHANDLER, who has been active in this issue with many of us in the House. He, too, represents a State that is one of the larger of the softwood timber producing States of our Nation. Like I and the gentleman from Montana, the gentleman has experienced, with many of the people he represents, the similar kind of difficulties that we experience.

Mr. CHANDLER. Mr. Speaker, I want to thank the gentleman from Idaho for arranging time for this special order, and congratulate the gentleman for his exellent remarks, and the gentleman from Montana as well.

Mr. Speaker, on March 10, negotiators from the United States and Canada will sit down here in Washington to discuss, once again, the controversy that surrounds Canadian softwood lumber imports. I have one simply message for our Canadian friends, Mr. Speaker: "Please be fair with us."

Since 1975, Canadian lumber imports have risen from 19 percent of United States consumption to about 34 percent. Since 1977, 629 sawmills have closed and 30,000 U.S. lumber industry workers have lost their jobs.

After reviewing all the arguments and all the facts as I could, I am forced to keep coming back to Canadian stumpage prices and Canada's method of pricing.

In the United States, we employ a competitive bidding process. Canada does not. Their stumpage prices, as stated in an ITC report last October, are one-tenth that of U.S. prices.

Now maybe Canada is not guilty of "dumping" as our trade statutes would define the term. But the relationship between our countries just isn't fair. How can it be that Canada's timber lands and mills are farther from the marketplace than ours, and their production costs and productivity levels are comparable to ours, and yet, Canadian producers can charge from $23 to $76 less than United States producers can for similar lumber?

Mr. Speaker, our neighbors to the north must understand our message. It is a call for fairness, and the time is now. Thank you.

Mr. CRAIG. Mr. Speaker, let me thank again my colleague from Washington for joining with us in this special order and for bringing out some very, very essential points in the marketing methods and the utilization of the Canadian resources.

Mr. Speaker, I would now like to recognize another colleague of mine from the State of Washington, AL SWIFT, who has shown real leadership in this area and expressed great concern as it relates to this vital industry to his State and to the Pacific Northwest. I thank my colleague for joining with us in this special order this evening.

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Mr. SWIFT. I thank the gentleman for yielding.

Mr. Speaker, first of all, let me say that the gentleman from Idaho has been one of the outstanding leaders of this issue in Congress. We in the Northwest tend to think it is a Northwest problem. I suppose the timber people in the Southeast think it is a Southeast problem, and those who live in the Northeast believe it is that. The fact is that the gentleman from Idaho has been a leader for all three of those regions of the country on this issue, and I want to thank him for taking this special order so that we might address this problem tonight.

My colleague, the gentleman from Washington, made the basic essential point: We are not here asking for protectionism. We are asking for fairness in trade.

Our lumber people today and our timber people are paying, in round figures, $180 a thousand for the trees on the stump. Their competitors in Canada are paying $6 a thousand on the stump, approximately. When your raw material costs are that different in price, it is going to be very, very hard to compete with an ultimate manufactured product in the marketplace.

Our people are paying what the market will bear, a bidding process in this country. The Canadian Government is not trying to do that. It is selling it at an arbitrary fixed figure. And if there is any definition of "subsidy," that has to be it. And we are not here asking for some kind of protectionism. We are here asking for fair trade within our free trade policy.

Nor are we talking about huge corporations. We are talking about sawmills. A big one hires 100 employees. A huge one will hire 300 to 400. The average in my district may employ 30 to 60 employees, some of that seasonally. And it is true they are hurt by other things. They are hurt by transportation costs, the patterns of which have changed in recent years, and they were seriously hurt by the last recession. High interest rates always cause terrible problems in this particular industry.

This is something that is coming on top of that and making their survival increasingly a questionable thing.

Now, I think it is important to point out that the Canadian timber industry is having problems too. Some of the very problems that are affecting the United States timber indusry are affecting the Canadian timber industry, as well.

But their government is helping them. The Canadian Government is helping their industry and in a way that we disagree with, and I think it is appropriate that we disagree with their method of help, direct subsidy of the raw product. But our country needs to help our people, as well, as I say, not in a protectionist way, but in a

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way that would argue that we should have a fair shot and those subsidies should cease.

I would like to make one other point that is tangential to this. People may think that this is a regional problem. I mentioned three regions of the country that are affected by it, and in that sense, it is regional, but we also heard this evening from the gentleman from Texas [Mr. PICKLE], and we will hear again this evening from the other gentleman from Texas concerning the problem that is beginning to develop in the oil-producing States, particularly among the small producers.

It may well be that they could sit here and say, "What concern is it of ours that the small mills in the Pacific Northwest, in the Southeast and in the Northeast are having trouble?" And we could stand here and say, "What business is it of ours that the small oil producer is having trouble in Texas and Oklahoma and Louisiana?" And I suppose the people in New Jersey could say, "Why should it be any business of ours that rural America has a difficult problem with its telephone rates that urban areas do not have?" and those rural areas could respond, "Why should we care at all about the toxic waste problems that are perhaps the worst in the country in the State of New Jersey?" And perhaps people in rural America could say, "Why should we be subsidizing UMTA in the urban areas?" And the urban areas could say, "Why should we care about the milk support programs and other agricultural support programs across America?"

Well, the reason we should all care is that this is a nation, and our federal system says we have to care about the problems that other people have. And as we from the Northwest stand here tonight and make an appeal for some understanding from our colleagues who do not have these particular sets of problems, I think it is worthwhile our acknowledging that other regions have other problems, and we care about those, too. We will try to be there to assist them as they deal with providing the kinds of economies in all of the regions of this country that mean the United States is prosperous and the problems of its people can be met, whether that be education or food or health, because it is a Federal program and we are going to help each other.

I do not stand here feeling anything but pride in making an appeal on behalf of one of the maior economic problems on the part of the Northwest, but I want my colleagues to know from other parts of the country I am listening to what your problems are, as well. You will get a fair hearing with me, and I hope you will be listening with some care to the problems that we are talking to you about that are affecting our country, as well.

Again, my congratulations and thanks to the gentleman from Idaho for bringing this special order to the floor. I think we are discussing some things that are terribly important, not only to our own people but the United States.

Mr. CRAIG. I thank my colleague, the gentleman from Washington. I think the gentleman makes a critical point when he says this is not a regional problem. In fact, it is not just a national problem. It is nearly a hemispherical problem because the forest product-producing regions of this hemisphere primarily reside—in the Northern Hemisphere, at least—in the United States and the western portions of Canada, with some areas in the central eastern portions of Canada.

As the need for wood products grows, as our population grows, there is no doubt that an orderly marketing system, in large part controlled by the market process without the subsidy of a government, is going to be critical in the pricing of those products and the availability of stick-built homes in the future of our country and for our children and our children's children. That is part of the issue that is bound within the type of concern that we express here tonight.

The rate of cut that goes on in Canada, the inability of our industry to stay alive, the difficulty of maintaining a balanced industry within the hemisphere becomes all part of the current forest products crisis that we speak of tonight.

This is not something that just occurred yesterday or the day before. It is an issue that has been building for several years as the value of the dollar increased and as that changed the economic environment, the difficulties of the industries and their relationships to the Governments, both of Canada and the United States, began to expose or at least produce those difficulties.

In December of 1984, my colleague from Oregon, JIM WEAVER, who is with us tonight, held a hearing in Portland, OR, the first hearing, to my knowledge, of that kind about the impending crisis in the forest products industry. I joined my colleague in Portland for that hearing, and it was from that that we introduced the first legislation to be introduced here in the House and in the Congress dealing with the forest products problem and the crisis with the industry.

Since that time, I guess one could say an awful lot of logs have been cut. But in the process of those logs being cut and the billions of board feet of softwood timber pouring into this country from Canada, the problem has not improved. In fact, it has increasingly worsened, to a point where now I think it can only be termed a crisis situation in which it is now debatable whether the forest products industry of this country, with the kinds of losses it has experienced not only in dollar assets but in the human losses with the work force, can sustain itself much longer without some direct response from our Government in cooperation with the Canadian Government.

So it is my privilege to have with me tonight in this special order my colleague from Oregon, JIM WEAVER, who has led oftentimes with his chin on this issue, but I think he has in large part been proven correct in saying in 1984 and in 1985 and now in 1986 that the problem is a long way from being solved and it is time we come together as two nations to deal with it forthrightly and to recognize that one nation cannot feed upon another or feed upon another's marketplace long term without the kinds of benefit gained from that growing sour in the mouth, as it is now with the producers and the work force in the forest products industry of our country.

I thank my colleague for being with us.

Mr. WEAVER. I thank the gentleman from Idaho, my friend, who has worked so long and hard on this issue and who has given great leadership on it.

Mr. Speaker, I want to say, in addressing the gentleman as the coauthor of our bill on Canadian lumber imports, that what our bill does is simply guarantee the market share for both U.S. producers and Canadian producers that they have always had. This is not a restrictive bill. It just simply says, "Here is the market share for the U.S. producer, the Canadian producer, let us keep it at that level." If we do not, the overproduction that the gentleman from Idaho cited in his original remarks is going to drown us both, both the Canadian and the American producers. It already is drowning us.

In my own congressional district, the central fact of being swamped by increased Canadian lumber imports into the United States has had devastating results, unemployment, mill closures, reduced wages, in such communities—and these are communities of people with homes and schools and hospitals, of grandparents, who are now, in many instances, without basic industries, such as Oakridge, OR, lost its last mill, Mapleton, where Champion closed its mill, Lebanon, Sweet Home, Philomath, Coos Bay, a great port city in North Bend, its sister city on that great bay, devastated by mill closure after mill closure, Reedsport, Gardiner, Sutherlin, Cottage Grove, Springfield, communities that I could name on that have been so hurt by this oversupply at a time, as my colleague from Idaho has said, the demand for wood products in the United States is at one of its all-time highs, at 44 billion board feet. Our mills should be humming 24 hours a day, 365 days a year, instead of being depressed.

And I want to emphasize something that I do not think is clearly understood, that not only are markets being taken away from American mills but the price has been pressed down by

oversupply, and this has not only caused mill closures and unemployment but it is now generating drastic wage cuts.

George Weyerhaeuser, the president of Weyerhaeuser, the largest lumber company in this country, came down to Springfield, OR, in the heart of my congressional district, a week or so ago, and addressed 700 lumber workers who work for Weyerhaeuser and told them that because of competitive forces, Canadian lumber selling cheaper in this country, that Weyerhaeuser must drastically reduce the wages of the workers in their mills. We are talking now about thousands and thousands and thousands of workers, not only in my congressional district but in mills all over the Northwest, as much as a 35-percent wage cut. Now, these people cannot live, their standards of living will be devastated if this happens.

Now, I would like briefly, in conclusion, to report on the meeting of the United States and Canadian Congressional Interparliamentary Group in Tucson this weekend. One of the major issues of that group, the Canadian Members of Parliament and the American Members of Congress, for the past 5 years, has been Canadian lumber imports, and they have discussed stumpage prices, railroad prices, transportation, and so forth, but this time the American delegation said, looking their friends from Canada in the eye;

We both have a problem, it is not only our mills that are going to close and our prices reduced and our wages cut, but that will soon happen and is happening already in Canada. What are we going to do about it?

I made a statement to our friends, the Canadians, saying, "This problem affects us both. Let us together search for a solution." I did not want to be antagonistic. This way my first time as a member of that delegation. I wanted to bring the Canadians in and work with them.

This whole theme was endorsed by other members, the Senator from Idaho, JIM MCCLURE, the Senator from Alaska, FRANK MURKOWSKI, the Senator from Georgia, MACK MATTINGLY, all felt this approach was the one that would produce the greatest results, and the Canadians responded in kind. They said, "Yes, we recognize that, let us not argue, let us see what we can do about it."

We agreed to agree and work on solutions jointly. It is a start. That is all it was. I told them overproduction being the problem, the only way we could presently cure overproduction in the United States was at our borders, but we do not want to be protectionist if we can at all help it. We may be forced to.

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But we would prefer a better solution than that.

I recommended in my concluding remarks at that meeting of the Interparliamentary Group in Tucson this weekend that we begin with one step, and that is to ban the export of logs, round logs, unfinished by our mills by our capital, by our labor. With our trade imbalances, both nations, Canada and the United States, have trade imbalances with Japan of horrendous amounts as far as we are concerned, of $50 billion, that it would be better for us to be a manufacturing nation and manufacture our trees into finished wood products and then sell them to Japan.

The American delegation of the Senators that I have mentioned previously said that was an excellent idea. The Canadians felt it was a good idea and that we should work on it. I commend this as a beginning to the solution of this problem that we manufacture our own timber in this country and sell the finished product. This would mean thousands of new manufacturing jobs, and would certainly alleviate a part of the problem our mills and workers face today.

I again thank my friend from Idaho for his leadership here and for this special order.

Mr. CRAIG. I want to thank my colleague from Oregon for the time he has spent with this issue, the thought that he has put into it, and certainly the hard work that has involved him with an issue that is not only critical to Oregon as he mentioned, but to the Pacific Northwest, the Northeast, and the Southeast of this country.

There were several other of our colleagues who had wished to join us tonight, but with the lateness of the House, Mr. Speaker, they could not. I would ask that they be included in the special order under General Leave.

Mr. Speaker, in closing, I think it is important to understand the economic impact that goes on when we fail to allow the wise and effective marketing of our natural resources on our public lands, not only for the jobs they create, for the capital they ultimately generate, but for the return to the U.S. Treasury.

In the State of Idaho, the State I represent, we are considered the fifth largest softwood producer in the Nation. The forest products industry makes up about one-fourth of Idaho's nonfarm economic base.

We are not a large State in population of just nearly 1 million people; we are large in land and large in resource, and one of those great resources are the trees that grow on both our private, State, and public lands.

Idaho has about 14,000 people employed in the lumber and wood products industry. They include some 3,000 in contractors and logging camp areas; 6,900 in sawmill and planing mill workers; 1,200 in the building industry that utilizes the product; and about another 2,900 in the overall lumber industry. That is critical to Idaho. Those are very, very large numbers to a State like mine. Jobs that are currently today hanging on the thin edge of the industries they work for, being able to continue to produce in this current market situation.

Idaho's timber industry is important not just to Idaho but to the Nation because most of our product is shipped nationwide. Twenty truckloads of logs produce a $20,000-per-year job in the forest products industry. Plus $1,600 to Idaho schools and roads, plus $4,800 to the U.S. Treasury. That is a critical figure. A Government and a Congress and this House that now struggles with a $200-billion deficit, a strong effort to control that deficit and to improve Federal revenues, we have trade policy that has not been willing to stem the tide of the flow of Canadian timber coming into this country, that has greatly eroded the ability of our forest products industry to harvest on public lands. That has clearly diminished the amount of dollars returning to the U.S. Treasury as a result of the utilization of that public resource, the wood product.

Of course, helping drive down the revenues, and because those people are unemployed, out of work, they find themselves having to seek support and assistance at the State level and with the Federal resource.

All of these things combined speak very clearly to a fact that this Nation needs a policy that is in part embodied in legislation that this Congress has produced, and I recognize and wish to compliment my colleague who is chairman of the Subcommittee on Foreign Trade in the House Ways and Means Committee, Congressman SAM GIBBONS of Florida, who could not be with us tonight because of another engagement, but who has introduced legislation, passed it through that subcommittee and it now resides in House Ways and Means and we hope will move soon. It recognizes that countries that openly subsidize, through whatever method, their natural resource for the purpose of moving it into world markets in a noncompetitive, depressed price method, as our Canadian friends are currently doing with their forest products, can be subject to a countervailing duty to the amount of that subsidy that that nation chooses to allow that particular industry and that particular resource.

This Congress is making an effort to move. This administration is finally beginning to recognize that this is a critical issue not only to Idaho and to Oregon and to Washington, but to States around this country. To the overall economy of our country. We must move this year, in 1986, if we are going to salvage the forest products industry of our country and save those jobs that are currently working and that should be working if we are at 2 million housing starts and recognizing a time when we should be at full production in our forest products industry.

I want to once again thank my colleagues who have joined me tonight in

this special order and for participating directly with us in this most critical issue. I would enlist the support of my colleagues here in the House and in the Senate as we move forward with trade legislation in the coming days, to deal directly with our friends from Canada in recognizing our long and valued friendship, but asking that they support and work with us in a cooperative venture to bring balance to this industry, balance to the harvest of the natural resource of our forest products in this hemisphere, and recognize that it should be our goal and our responsibility to make sure that the growing timber of our public lands throughout the Northern Hemisphere are a hemispherical asset that demand not only wise management, but prudent and just marketing.

Ms. SNOWE. Mr. Speaker, I am pleased to have the opportunity to join the gentleman from Idaho [Mr. CRAIG] and other distinguished Members of this body to address the issue of subsidized imported Canadian lumber. There are in fact many of us who have commented on many occasions during the 99th Congress on a situation which has become a paramount concern from the west coast straight across this country to the east coast and the State of Maine.

As we enter the third round of lumber negotiations, the administration must recognize that 33,000 jobs have been lost in recent years because of Canadian imports. Our lumber balance of trade has rapidly plummeted from a surplus of $400 million in 1980 to a $2 billion deficit by the end of 1985. There is a strong and broadly held belief that, if progress is not achieved in the current negotiating session with the Canadians on March 12, that legislation will be our only recourse to show we are serious.

In Maine, similar to other parts of the country, we have lost dozens of midsized lumber firms in recent years, in all about one-fourth of our companies. It is astounding we have allowed Canadian wood, imported mostly from Quebec and New Brunswick, to comprise over 80 percent of our market. When we consider the fact that the United States and Canada have a similar cost of production for their wood, and that we have a natural advantage, particularly in Maine, in being closer to the wood product markets, it becomes evident that there is a serious underlying problem that needs immediate correction.

The problem stems from the fact that the Canadian Government owns almost 95 percent of its timber, and sells the rights to harvest this timber at about 10 percent of the harvest cost in the United States. Canadian production has doubled in the past 10 years, with two-thirds of this production now exported to the United States. Clearly Canada's market success in the United States at the expense of our firms and our workers.

In the last 6 years alone, over 250 lumber mills have closed their doors, and 30,000 workers have lost their jobs. Imports have increased from 19 percent of the U.S. market share in 1975 to 33 percent in 1985. Coming on top of Canada's advantages attributed to the high value of the United States dollar, the overall effect has been crippling to the ability of the U.S. lumber manufacturers to compete.

I am reminded that last summer, Commerce Secretary Baldrige met with over 60 Members of the House and Senate to discuss this issue, and to learn about the thousands of jobs we had lost in our districts, and the millions of dollars lost in economic benefits. What the administration also started to hear was than unless substantive progress can be achieved through negotiations, Congress will move forward quickly with legislation to achieve fair trade for our lumber industry. There simply must be a response from this Government to correct this obvious and serious trade inequity which is letting Canada walk away with our own lumber market.

Lumber is but one of several issues the State of Maine is concerned about with respect to trade with Canada. As a border State, the policies of our neighbors to the north severely affect our State's economy and its principal industries—the potato, lumber, and fishing industries. I have deep concerns about the current free trade arrangement negotiations with Canada, and I fully expect to see tangible progress made in the ongoing bilateral negotiations on lumber as a firm indication of what broader negotiations hope to accomplish. If Canada wants free trade, and we have every reason to believe they do, the Canadian subsidies cannot continue unchanged.

Responding to the situation we face with Canadian imports is imperative, and if negotiating fails, a legislative remedy will be sought. Continued adherence to outdated international macroeconomic theories won't give the thousands of lumber suppliers and millworkers in this country their jobs back. Only direct action to restore a level of fairness to our current trade situation will get the lumber industry where it deserves to be: on equal footing with its Canadian competition.

Mr. DENNY SMITH. Mr. Speaker, trade issues have dominated a large portion of the 99th Congress' attention. We have debated quotas and tariffs on textile and apparel products, autos, steel, shoes and a variety of agricultural products. Our 1985 trade deficit now totals $150 billion, and has cost us many jobs in many different sectors of our economy. This is a problem that has been growing over the past several years, and it will require our immediate attention if we are to prevent it from getting worse.

The only solution that this Congress has been able to come up with is protectionism. But protectionist legislation is not an answer for the problems we face in the Pacific Northwest. One in five jobs in Oregon is either directly or indirectly related to trade. In an effort to protect products indigenous to other parts of the country, the Pacific Northwest and the timber industry upon which we rely are to be held out as a sacrifice. As a representative of that region, I feel that it is time for the Congress and the administration to look out for American interests and protect American livelihoods.

In the course of the trade debates here in the Congress, much of the attention has been focused on our trading partners in the Far East and the lesser developed countries. If one were to listen closely to the debates, the impression might be that the only problems we are facing come from those regions. Our enemies are clear, the solutions are easy.

But what of our own backyard? The largest trading partner of the United States is Canada, with total business across our borders totaling over $120 billion. The Canadians have a trade surplus over us. Although it is decreasing in our favor, it is a surplus nonetheless.

For too long we have raked our enemies over the coals, yet we allow this current unfair situation in the timber industry to persist without any relief in sight.

The administration has just started the second round of new trade talks with the Canadian Government at the request of Prime Minister Mulroney. The Prime Minister was eager to start these talks because of the falling trade surplus with the United States and his desire to have a completely open trade relationship between our two countries. The Reagan administration is taking these talks very seriously, as demonstrated by recalling Ambassador Peter Murphy from Geneva to head our delegation.

Regardless of what actions are taken during the course of these negotiations, they will not be successful unless, and until, the Canadian timber practices are seriously discussed and negotiated openly and fairly. According to the International Trade Commission [ITC], the Canadian Government subsidizes their timber operations. As a result, timber industries located in Canada are selling their products on the U.S. markets at prices that undercut our own producers. They pay stumpage rates that are often no more than 10 cents on the dollar compared to U.S. stumpage costs. Their reforestation practices and regulations are less restrictive than those that producers in the United States, face. Their timber products are transported on the Canadian national railroad at a substantial cost advantage. As a result, Canadian producers have built-in advantages in their price structures that are very difficult for the American timber industry to overcome.

The ITC later revised its 1985 investigation into this matter. In this revision, the Commission states that Western United States and British Columbia sawmills are about equal in their efficiency, this in spite of the many thousands of jobs that have been lost in our timber industries over the past few years. This finding supports the view that Canadian lumber exporters benefit from Government subsidies which allow them to charge less money for their products than their counterparts in the United States.

Oregon's economy, like those of the other States in the region, has been devastated by the recessions of the late seventies and early eighties. Our economy is heavily reliant upon interest rate sensitive industries such as timber and housing. Record budget deficits drove up real interest rates and inflated the value of the dollar. This forced our businesses to close or move operations overseas.

In the past few years, more than 50 mills have closed throughout Oregon, resulting in the loss of thousands of jobs. The ripple effects of these losses on retail business, school districts, and communities throughout the State have been severe, and are continuing.

I am here to discuss the effects on Oregon, but this is not a problem that has hurt just my state or district. The effects are being felt by timber mills all over the country. It has hurt operators from Pennsylvania to Georgia, from New York to Alaska. It is a problem that has

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wide ranging ramifications on a variety of industries throughout the country.

I have supported all efforts toward a negotiated solution to this problem. Along with many of my colleagues, I have sent letters to the President, Secretary of State Shultz, Secretary of Commerce Baldrige, Trade Representative Yeutter, and Prime Minister Mulroney urging them to address our concerns during the course of their negotiations. It is important for the negotiators to realize that there can be no new trade agreement between our two countries until this problem is resolved.

Protectionist activities are not the answer to the problem. The trade relationship between our two countries is too significant to have any beneficial effects through threats. But we are at a point where some action must be taken to protect the interests of our businesses and citizens.

The Office of the U.S. Trade Representative [USTR] has pursued section 301 investigations, and has found proof of the allegations against the Canadian Government. It is now important for the President to act upon the findings of the USTR and the ITC and take strong, corrective measures to protect American interests. Section 301 of the Trade Act of 1974 is in accordance with the provisions of the General Agreement on Tariffs and Trade [GATT], and does not represent the unilateral action that is strictly prohibited by this international treaty. Ambassador Murphy and his delegation must impress upon their counterparts our right to act to protect our own interests unless changes are made.

The Senate should reject any proposed bilateral trade agreement between our two countries unless this issue is adequately resolved. These talks were started at the behest of the Prime Minister Mulroney in an effort to promote a free-trade zone. It is important for the Canadian Government to realize that there can be no free trade unless there is fair trade.

There is very little that we in the House can do directly to force the Canadian Government to change its position on this subject. We can present the facts and hope that reasonable minds will take over and do the right thing. But we do have alternatives available to us—alternatives that should be considered and used when necessary.

But the most important step that this Congress can take is to do something about our Federal deficit and the national debt. Regardless of any other actions we take, if we continue to allow runaway deficits we will never be able to adequately resolve this situation.

I have just received a copy of a study undertaken by Governor Atiyeh's office regarding the effects of continued high Federal deficits on Oregon's economy. I feel that it is important for the Congress to understand exactly how $200 billion deficits will impact my State. According to the econometric model created by DRI:

Initially, a high federal deficit—meaning no federal cutbacks—benefits Oregon. Employment and personal income rises above the Control (low deficits) forecast during 1986 and 1987. During this period, the economy moves ahead strongly, not burdened by the drag of federal cutbacks.

Eventually, rising interest rates choke off business investment and home construction. Indeed, the first area to feel the effects of the rising interest rates is the lumber and wood industry, which begins to lose workers in mid-1987. By the end of 1989, lumber and wood employment is down nearly 1,600 workers relative to the Control forecast.

Overall, the report concludes that continuation on a high deficit path by the Federal Government will result in a recession which will cost Oregon 18,000 jobs by the end of 1989, personal income $550 million below the control levels, and a $80 to $90 million loss in State personal income tax revenues for the 1989-91 biennium. It is obvious that resolution of the Canadian situation in and of itself will not resolve the problems that Oregon now faces. We have to get our own economic house in order here in the Congress.

We must also consider the administration's proposals to reform the antitrust laws. We have to change attitudes that consolidation of individual companies in a failing or hurting industry is not desirable. This fear that mergers will create monopolies has prevented many companies, both large and small, from taking prudent and necessary steps in an effort to save their business, their share of the market, and, more importantly, the jobs of their employees.

We have to make corrections to the House-passed tax bill which will cause serious and permanent harm to the timber industry. Changes in the treatment of capital gains and the credit for reforestation will damage many of our timberland operators more than the Canadians ever could hope to.

Mr. Speaker, for years we've been hearing of the troubles of the Rust Belt in the Northeast, the Farm Belt in the Midwest, the Cotton Belt of the Southeast. States like Oregon, Washington, and Idaho have long suffered the same economic difficulties as these other regions, yet we have lagged significantly in terms of the economic recovery that many of these areas are now experiencing.

It is time for this Congress to take the necessary steps, short of protectionist legislation, to guarantee that the timber industry of the United States will be able to compete fairly and openly not only in the world markets, but in our own as well.

Mr. MCKERNAN. Mr. Speaker, I wish to join my colleagues in addressing the problems caused here in the United States by Canadian softwood timber imports. The scope of this trade problem is demonstrated by the great number of areas across the country that have been affected, and the number of people who have been dislocated, and clearly indicates that a solution is needed now.

As has so often been emphasized, our softwood timber trade problems with Canada are made all the more difficult to resolve because of the close relations that have been fostered over the years. In an issue where jobs on both sides of the border are at stake, resolving outstanding trade problems will not be easy. From the American perspective, we must somehow eliminate the Government subsidies that allow Canadian producers to undersell their American counterparts, and, in the long run, strive to equalize a currency exchange rate that is out of balance. Negotiations on this issue are essential, particularly since increased trade between the United States and Canada is in the best interest of both nations, yet the subsidy question must be resolved, and resolved quickly, if we want to avoid the certainty of further job losses in this industry.

It does not make sense that a State, like Maine, with a reputation for an excellent work ethic, and with geographic characteristics similar to those of Canada, now is in the position of "carrying coal to Newcastle," that is, importing 60 percent of its softwood timber from Canada. If the overall problem centered on productivity, we would not be in a position to demand action. The question at hand is not how much more productive the Canadians are, for the ITC has shown that Canadian timber producers are no more efficient than Americans. It is a case of unfair Government subsidies, in the form of stumpage costs, which, along with an adversarial exchange rate, is crippling our domestic timber producers. Canadian Government policies have been a primary factor in increasing the market share of Canadian timber to almost 34 percent of the total United States consumption.

As has happened with so many other industries in Maine, such as the shoe industry, this Government's laissez faire trade policy is actually promoting unfair trade, rather than fair competition. The resolution of the Canadian timber trade issue is of utmost importance, and the United States must enter negotiations with Canada determined to eliminate Canadian subsidies in this industry.

Mr. WHITLEY. Mr. Speaker, I want to thank my distinguished colleague from Idaho for bringing the issue of Canadian lumber imports to the floor of the House today. I join Mr. CRAIG and the other Members who have spoken in expressing strong concern for the effects of lumber imports on the health and future well-being of the American wood products industry.

Lumber manufactured in Canada has flooded United States markets in recent years. During the last decade, the Canadian share of domestic softwood lumber markets has grown from less than 20 percent to more than 31 percent nationwide. The situation is even more severe in North Carolina. By recent estimates, nearly half of North Carolina's lumber market is in Canadian control.

The effects of softwood lumber imports have been felt throughout the forest products industry. Although lumber consumption is currently at record levels in the United States, domestic prices are down and U.S. mills are operating at only 80 percent of the capacity. U.S. producers have estimated that more than 250 sawmills have closed since 1978, resulting in the loss of 38,000 jobs.

It is clear to all those who share an interest in the viability of the forest products industry that action must be taken to stem the flow of Canadian imports into the United States. Next week, United States and Canadian trade officials will be meeting in Washington, DC, for a third round of discussions regarding the lumber imports problem. I am optimistic that these negotiations will lead to a constructive resolution of the issue and ensure continued free and fair trade in lumber products between our nations.

Last week, in bipartisan action, the Senate made clear its desire to resolve the lumber import issue now. It should be clear from our actions today that we share this concern. We urge negotiators to reach agreement on measures to curb Canadian lumber imports before it becomes necessary for the Congress to take measures to alleviate the problem.

Mr. DICKINSON. Mr. Speaker, over the past 6 years, our lumber industry has closed over 250 lumber mills, causing an estimated loss of

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38,000 jobs. Between 1978 and 1982, the consumption and production of softwood lumber by American firms fell by nearly one-third. During the same period, imports of Canadian softwood lumber in the United States rose from 28 to 32 percent of our domestic market. In 1975, Canadian imports accounted for only 19 percent of U.S softwood lumber consumption.

The State of Alabama, which has a large timber industry, has also been hard hit by this influx of Canadian softwood lumber products. Between 1978 and 1984, 29 operating lumbermills have been lost. In 1978, 107 lumbermills existed, while only 78 of these mills existed in 1984. Canadian imports are the cause of at least half of these closings, nationwide.

In an effort to help illustrate the gravity of the situation, I, along with 59 of my colleagues, have sent a bipartisan letter to Secretary of State Shultz urging him to stress the issue of unfair Canadian timber subsidies and the injury that these imports have caused the United States softwood lumber industry, during the trade negotiations between the United States and Canada later this month.

To further stress my strong feelings on the seriousness of this problem I have cosponsored legislation introduced by Congressman SAM GIBBONS, which will allow the United States to place tariffs on Canadian softwood lumber imports. Obviously, this course of action is a method of last resort, but something must be done to resolve the inequities that exist between the United States and Canadian softwood lumber industries as they compete in the American market.

Mr. STALLINGS. Mr. Speaker, I am pleased to have this opportunity to discuss what has become a very severe problem in my district. That problem is the relative flood of Canadian softwood into the United States.

In 1975, Canada accounted for less than one-fifth of the United States softwood market. By 1985, it had increased its market share to more than one-third of our market. Canadians have been able to increase their penetration of our markets because during this 10-year period, Canadian production of softwood products doubled. I believe this doubling of production was not due to normal market practices, but rather to what amounts to unfair trading practices by the Canadians.

Before detailing the evidence indicating unfair competition, I want to document the damage done to our domestic logging and forest products industries.

First, we must realize that the demand for wood products has increased in recent years. This has been fueled by a boom in the housing market. In 1984, a record 43 billion board feet of softwood products were consumed. When all the figures are in for 1985, it will likely be closer to 44 billion board feet, another record year for wood consumption. With this terrific demand for wood products, it seems logical that the U.S. timber industry would be prospering.

The boom in demand for softwood products, however, does not reflect the health of our domestic industry. Between 1977 and 1984, 629 American mills were closed. Employment dropped by one-fourth, from 119,500 in 1975 to 89,000 in 1984. This trend is very evident in my home State of Idaho. Idaho has lost 5,500 of its 19,000 of timber-related jobs since 1979. The real impact, however, is not in raw statistics but in communities and individual lives.

The communities in my district, which have logging operations, are often small and very vulnerable to changes in employment. I can't help but wonder what happens to the St. Anthonys, the Salmons, and other small American towns when the lumbermills go out of business because they can't compete with subsidized Canadian lumber.

We don't have to wonder too much. Life in these small communities is generally so dependent on one or two major employers that their very existence is threatened when one of them is forced to close its doors. We recently dealt with a very good example of how this works in my district. Salmon, ID, lost its lumbermill for a time. This plant was closed because the operator of the mill could not compete economically. It was only after much effort on the part of private industry, workers in the area, and some coordination from my office that this plant was reopened. While the plant was closed, Salmon's local economy was extremely depressed. Life is much brighter now that the jobs are coming back. But a question plagues many residents of Salmon. How long can the plant remain open when the cause of its original closure has not been addressed? It simply cannot compete with the flood of subsidized Canadian lumber products.

It's a well-documented fact that Canadian stumpage prices are held at artificially low rates that do not even cover the basic costs of reforestation. Canada has systematically changed its domestic policies to create very effective subsidies for all aspects of the lumber industry. It is with these special subsidies that our lumber industry cannot compete—not the Canadian producer. Our softwood industry is not asking to have special advantages over any competition, just a "level playing field" on which to compete.

I am a strong believer in open trade—in reducing barriers to trade rather than creating new ones. The open, multilateral trading system has brought great prosperity to the American people. Yet there is no question that governments have become increasingly involved, both directly and indirectly, in providing special competitive benefits on selected industries.

I would prefer for our trade differences with Canada to be solved bilaterally through negotiations. However, this country cannot stand idly by and watch its industries destroyed by unfair foreign competition. We must take steps to correct the discriminatory practices used by other governments, if those practices cannot be corrected through negotiations.

Mr. DICKS. Mr. Speaker, I am very pleased to join my colleagues here this evening to discuss the critically important condition of trade in softwood timber between the United States and Canada. In anticipation of the upcoming round of talks on free trade with Canada, I believe it is essential for Members of Congress, particularly those who represent areas dependent on timber production, to express their views on this situation.

As you know, the Pacific Northwest has traditionally been a part of this country that has supported free trade, particularly with Canada, our largest trading partner. However, it is quite clear that, in order to have a truly free trade situation, you cannot leave unsettled an issue of such magnitude. Allowing the timber industry in the United States to continue losing market strength to Canadian timber, without any effort to remedy those causes of the imbalance that can be remedied, destroys any illusion of two equal trading partners engaging in commerce on a mutually beneficial basis.

There is no question that the timber industry in the United States is suffering. The year 1984 was a moderately strong one for lumber demand in this country, with 1.75 million housing starts in the United States, and one would have expected that America's wood products business would have been carried along the path of recovery from the recession we recently experienced. Instead, however, United States lumber mills operated at only 80 percent of capacity, with over 13 billion board feet of Canadian softwood lumber imports accounting for nearly one-third of United States consumption.

The United States industry sustained pretax losses exceeding $300 million, largely because of depressed prices and curtailed operations caused by high levels of Canadian lumber imports. Because of this factor, and other losses suffered since 1980, major U.S. wood products manufacturers announced shutdowns and took writeoffs totaling more than $600 million. According to the forest products industry, over the last 5 years domestic firms lost more than 30,000 jobs, of which 22,000 can be attributed to increased Canadian lumber imports. In Washington State alone, since 1980, hundreds of mills have closed, hundreds of others are operating below capacity, and 17,500 jobs have disappeared.

I know that those representing Canadian interests have consistently argued that this situation is entirely the result of the strength of the dollar, and I don't believe anyone would argue that this is not a part of the problem. But I believe if you look at the International Trade Commission's report of last October on the issue, you will clearly see that the entire problem cannot be blamed on the strength of the dollar. Some blame must be assigned to the system by which Canada subsidizes its stumpage prices.

For those who are not familiar with the system, in the United States, about half the softwood lumber comes from public land. The price for cutting rights, which is called stumpage, is set by either an open auction or competitive bidding, and naturally rises to fair market level. In Canada, about 95 percent of the softwood lumber comes from public land, but the pricing system is very different from ours. A handful of large companies have monopoly leases over vast tracts of timberland. From time to time, the Government sets a stumpage price. According to the ITC report, this system has resulted in stumpage prices in the United States which are 10 times Canadian prices.

The value of the United States dollar has risen only 8.5 percent against the Canadian dollar from 1978 to 1984, and has remained relatively constant since the end of 1978. At the same time, the Canadian share of the United States market has increased from 18 to 33 percent during the same time period.

While Canadian producers have asserted that a comparison of delivered log costs would show that Canadian prices were no lower than United States prices, the ITC report shows that Canadian delivered log costs average $28 less than the United States

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costs, and are $59 less in the comperable northwest and coastal British Columbia marketplace.

Finally, in a revised productivity report the ITC showed that there is very little productivity differential between American and Canadian workers, particularly in the four Northwest States where product mixes and production levels are similar to British Columbia's.

For most people in timber country, these statistics all add up to Canadian subsidies which are driving our own industry out of business. Regardless of whether one agrees with this conclusion, it is quite obvious that the air must be cleared before meaningful negotiations on a free trade package can begin. If the cloud of timber trade imbalances is not lifted, I do not believe we can credit the Canadian negotiators with a good-faith effort to reach a package which is truly fair to both sides. And I firmly believe that this would, in the long run, be to the disadvantage of both countries, because I think open trade will benefit consumers and producers in both countries.

I hope that the Canadian Government will take these concerns to heart, and come to the bargaining table prepared to reach a fair solution to the timber problem. If this can be accomplished quickly, I am confident the most difficult impediment to the free trade negotiations will be removed, and we can then proceed to create a mutually beneficial atmosphere for open trade between our two countries.

GENERAL LEAVE

Mr. CRAIG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

DECLINE IN OIL PRICES PORTENDS A NATIONAL CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. LELAND], is recognized for 60 minutes.

GENERAL LEAVE

Mr. LELAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LELAND. Mr. Speaker, in recent weeks it has been very common for public officials, economists, news commentators, and even White House spokesmen to repeat the common wisdom that falling oil prices are good for America. There is another side to this issue, Mr. Speaker. The unfortunate reality is that the decline in oil prices is not a boon to all Americans. In reality it portends a national crisis.

Millions of Americans who are or were employed in the energy industries are facing financial devastation. Many States, Cities, and communities will suffer severe economic dislocation because of the decline in revenue from energy and energy related industries.

One myth must be destroyed. This is not a problem that affects only wealthy oil men, the stereotypical "oil barons" or J.R. Ewings of the World. This is a problem that touches people at all economic strata and broad crosssections of our society. Grocers in Houma, LA, welders in Drumright, OK, roughnecks in Odessa, TX, machinists in Williston, ND, and realtors in Houston, TX, are among the millions of Americans facing potential economic disaster as a result of the problems confronting the oil industry.

If I may, Mr. Speaker, I would like to discuss the specific problems confronting my home State of Texas. After nearly a decade of unprecedented economic expansion, the situation in Texas began to deteriorate during the recession of 1981. Unlike other States, Texas never has rebounded fully from that recession. The decline in oil prices from their 1981 peak has been accompanied by a 50-percent reduction in the number of Texas active drilling rigs. Consequently, demand for drilling-related manufactured goods has ebbed, causing a contraction in the State's manufacturing sector. Since 1981, Texas has suffered a net loss of 118,000 manufacturing jobs in addition to 33,000 jobs lost in the drilling industry. Texas banks, financial services, and commercial real estate industries also have been severely hurt, causing further unemployment.

In less than 4 short months the benchmark price for oil has fallen from more than $32 a barrel in November to approximately $12 today. A team of economists from Southern Methodist University assessed the impact of this rapid decline. They stated that each dollar decrease in the yearly average oil price costs our State, Texas, 25,000 jobs. That is 25,000 jobs, Mr. Speaker; $100 million in State and local tax revenues; and $3 billion in gross economic activity in the State. That is what it has cost us.

The report continued to state that if oil declined to $15 per barrel, almost $3 above its present price, the State of Texas would lose approximately 250,000 jobs over the next 3 to 5 years and also would lose $30 billion in purchasing power from the State economy. Moreover, the Texas comptroller currently projects a revenue shortfall for the State of at least $2 to $3 billion over the next 2 fiscal years. This revenue shortfall will severely hamper the State's ability to respond to the increased human suffering that will result from the dramatic changes in the Texas economy. The State government recently called for an across the-board 13-percent cut in spending for social services. This may only be a hint of what is to come in the future.

Mr. Speaker, the oil crisis is not a Texas problem or a problem for oil producing States solely. It is a problem, however, with national ramifications. Increased joblessness and hunger in any community in this great Nation should trouble us all. None of us should view with glee the potential destruction of a great American industry. While I can understand the pleasure consumers in the North feel about reduced prices for heating oil and at the gas pump, I think we also have to look at the broad national interest of an oil industry on the brink of grave disaster.

Mr. Speaker, I am a consumer advocate and have been during my entire career as a public servant. I have advanced the cause of consumers during my career as a State legislator in Texas and during my tenure as a Member of Congress, and for that I have been labeled a liberal, yet I speak today as a consumer advocate, too. I do not believe that it is in the interest of the American consumer for our Nation to become increasingly dependent on foreign energy products. Nor do I believe it is in the interest of the American consumer for us to be witness to the destruction of the domestic petroleum industry.

The energy industry has been unnecessarily and improperly maligned over the years. Yes, many men and women have made millions of dollars in the energy industry. But for the most part they have shed much blood and sweat in earning those millions. They have created jobs and have contributed greatly to the economic vitality of this Nation. I am sick and tired of people pointing fingers at oil producers as some sort of rapacious creatures.

But we also must be cognizant, Mr. Speaker, that the oil and gas industry is composed of millions of Americans who are not millionaries, but who are dependent upon the energy industry for a livelihood. There are more oil and gas companies headquartered in my district in Texas than in any other district in this Nation. Many of my constituents are employed in the oil and gas or related industries. I know from first hand experience that many of the people employed in the energy industry are frightened for their future. They too appreciate saving $5 or $10 a week at the gas pump, but not at the cost of their jobs and their communities and their way of life.

I hope all of Washington and all of America will sit up and take notice of this increasing national crisis. I also hope that the President, rather than applauding what has happened to the petroleum industry, will call together the best minds available from all sectors of the industry and from all affected parties to consider potential solutions to this problem. This is a national crisis.

We in Congress, however, must not sit back and wait for the President to respond to this crisis. We also must demonstrate leadership and we must begin to review and propose possible

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FOR IMMEDIATE RELEASE

Margery Kraus
APCO Associates
(202) 872-3665

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NEW DEVELOPMENT CONSULTING GROUP ANNOUNCED BY ARNOLD & PORTER

Washington, D.C., March 29--Arnold & Porter, the 37-year-old Washington-based law firm, one of the city's largest, today spawned a new consulting group to provide the full range of services required for private and government development projects.

The new organization, APCO Associates, the Arnold & Porter Consulting Group, will extend the services normally available in a law firm to include the full range of disciplines necessary to assist in the planning of complex development projects. These include financial, marketing, management and development services.

Through an affiliated company, MPC & Associates, Inc., implementation services will also be offered to public and private entities undertaking these development projects.

This combination of services is specially designed to provide development expertise for institutions of learning, cities, non-profits and private/ public partnerships in dealing with private and governmental sectors.

Announcing establishment of the new group, Myron P. Curzan, an Arnold & Porter partner and president of APCO, said: "Throughout its history Arnold & Porter has delivered a full range of traditional legal services to clients in the public and private sectors. The complexity of the economic environment of the 1980's has created a new set of problems requiring innovative solutions, often involving a disparate set of actors from the public and private sectors. In order to respond to these changing needs and to changes in the practice of law, Arnold & Porter has created APCO -- The Arnold & Porter Consulting Group."

Dennis Lyons, another Arnold & Porter partner, is chairman of APCO. The firm decided on a non-lawyer and outsider to serve as Chief Operating Officer and Executive Vice President of APCO. She is Margery Kraus, until now Vice President of the Close Up Foundation, a multi-million dollar educational foundation which develops citizenship education programs. Mrs. Kraus, who is married and the mother of three children, has had thirteen years of varied management and development experience. She is also a member of the board of directors of Intervest, Inc., a real estate investment firm.

APCO has offices in the Thurman Arnold Building, 1200 New Hampshire Avenue, N.W.

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BIOGRAPHICAL SKETCH OF

MYRON P. CURZAN

Mr. Curzan joined Arnold & Porter in 1967 and became a partner in the firm in 1973. In his work at the firm, he has specialized in development projects relating to real estate and telecommunications. These projects have included the development of the satellite interconnection system for public broadcasting, the creation of the delivery mechanism to provide closed captioning services to the hearing-impaired, and the representation of various foundations, governmental entities, community development corporations, and private companies on the use of federal programs and appropriate development procedures for financing and managing large-scale real estate projects that utilize public and private capital.

Over the years, Mr. Curzan has served on a number of national committees and task forces in conjunction with his work in the housing field. Some of these include work as the Executive Director of the Task Force on Improving the Operation of Federally Insured or Financed Housing Programs established by the National Center for Housing Management, counsel to the HUD-established Task Force on Housing Management, and member of the Advisory Board of the Bureau of National Affairs Housing and Development Reporter.

In addition to this work at Arnold & Porter, Mr. Curzan has served as a Director of the Scovill Manufacturing Company, 1972-1978; and a Director of the Council on Public Interest Law, 1978-1980. He is currently a Director of Connecticut Mutual Life Insurance Company.

Mr. Curzan received his B.A., magna cum laude, Phi Beta Kappa from Columbia College. He was selected as a Woodrow Wilson Fellow and received his M.A. from Yale University. His LL.B., magna cum laude was received at Columbia Law School where he was a Harlan F. Stone Scholar and a member of the Columbia Law Review. He is married and lives with his wife and three children in Chevy Chase, Maryland.

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BIOGRAPHICAL SKETCH OF

MARGERY KRAUS

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

Mrs. Kraus joined APCO Associates as its chief operating officer on February 1, 1984. Prior to that time, she was Vice President for the Close Up Foundation, a multi-million dollar educational foundation which develops political education programs for high school students and teachers on a national basis.

During her 13 years at the Close Up Foundation, she played a key part in developing the organization from a $100,000 per year operation with five employees to a $15 million per year organization with over 150 employees. Mrs. Kraus had direct responsibility for both administration and program development, in addition to fundraising and legislative relations. Among her many accomplishments at Close Up was the development of the Close Up Telecommunications Project, which now provides over 100 live television programs a year to schools and homes around the country on the Cable Satellite Public Affairs Network (C-SPAN).

Mrs. Kraus' outside activities include membership on the Board of Directors of Intervest, Inc., a real estate investment and management firm and membership on the Educational Task Force of Project '87, an effort to commemorate the Bicentennial of the Constitution. She is also a regular correspondent to a series of women's newspapers through a monthly column, Washington Watch. Mrs. Kraus is listed in Who's Who of American Women.

Mrs. Kraus received a B.A. from Knox College and American University, magna cum laude with honors in government. She received an M.A. in Government and Public Law from American University. She is married and lives with her husband and three children in Vienna, Virginia.

THE APCO STORY

THROUGHOUT ITS HISTORY, ARNOLD & PORTER HAS DELIVERED A FULL RANGE OF LEGAL SERVICES TO CLIENTS IN THE PUBLIC AND PRIVATE SECTORS. MANY OF THESE SERVICES HAVE INVOLVED THE DEVELOPMENT OF PROJECTS THAT REQUIRED INTERDISCIPLINARY APPROACHES TO THE SOLUTION OF COMPLEX PROBLEMS.

IN ORDER TO OFFER A WIDER RANGE OF SERVICES, ARNOLD & PORTER HAS ESTABLISHED A CONSULTING FIRM, APCO ASSOCIATES, TO SERVE CLIENTS IN THE PUBLIC AND PRIVATE SECTORS WHO ARE PLANNING OR IMPLEMENTING COMPLEX DEVELOPMENTAL PROJECTS.

INITIAL AREAS OF CONCENTRATION FOR APCO WILL INCLUDE THE FOLLOWING:

- SERVICES TO UNIVERSITIES REGARDING THE USE OF THEIR PROPERTY AND THE DELIVERY OF SERVICES TO BOTH THE CAMPUS AND OUTSIDE COMMUNITIES; THE EXPANSION OF UNIVERSITY MEDICAL BASED FACILITIES; AND THE DEVELOPMENT OF APPROACHES FOR EXPANDING FINANCIAL RESOURCES AND INVESTMENT OPPORTUNITIES OF INSTITUTIONS OF HIGHER EDUCATION.
- SERVICES TO PRIVATE ENTITIES FACING UNIQUE DEVELOPMENT AND INVESTMENT PROBLEMS THAT REQUIRE INPUT FROM MULTI-DISCIPLINARY CONSULTING TEAMS.
- SERVICES TO LOCAL GOVERNMENT THAT INVOLVE THE DEVELOPMENT AND FINANCING OF REAL ESTATE VENTURES IN WHICH THESE GOVERNMENTAL ENTITIES WILL HAVE AN ONGOING INTEREST.
- LOBBYING AND INFORMATION SERVICES TO AID LOCAL GOVERNMENTS AND OTHERS IN DEALING WITH WASHINGTON-BASED PROBLEMS.

APCO WILL BE GUIDED BY A BOARD OF DIRECTORS COMPOSED OF NINE SENIOR PARTNERS OF ARNOLD & PORTER. THE COMPANY WILL BE MANAGED BY MYRON P. CURZAN, AN ARNOLD & PORTER PARTNER, WHO WILL SERVE AS ITS PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND BY MARGERY KRAUS, FORMERLY VICE PRESIDENT OF THE CLOSE UP FOUNDATION, WHO WILL SERVE AS APCO'S EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER.

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FIRM PROFILE

APCO Associates, The Arnold & Porter Consulting Group, was recently formed as a spinoff of the Washington law firm of Arnold & Porter. It is headed by Myron P. Curzan, an Arnold & Porter partner who specializes in the planning and development of real estate and telecommunications projects for private and nonprofit institutions, and Margery Kraus who recently joined APCO after 13 years in the management and financing of development projects for nonprofit organizations.

APCO brings to its projects a multi-disciplinary approach to problem-solving and development issues. It utilizes both the talents of Arnold & Porter attorneys and the non-legal professionals of APCO and the firms with which it contracts. APCO draws upon four kinds of skills as it works with clients: legal, financial, marketing, and development.

APCO normally uses a three-phased planning process that assumes full client participation at each step. Simple but critical questions lie at the heart of each phase.

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I. CAN THIS PROJECT BE DONE?

A multi-disciplinary feasibility study is done to determine:

- whether the basic concept of the project is sound and whether the client's objectives are clear;
- the range of legal, financial, marketing, management, and development options available for successfully implementing the project;
- the resources that can be called upon by the client or by the project;
- the magnitude of the potential obstacles to a successful outcome for the venture; and
- the long-range potential of the project for success in light of the client's goals.

II. WHAT APPROACH(ES) SHOULD BE TAKEN TO ACHIEVE THE CLIENT'S GOALS?

APCO and the client draw up a total plan for the entire project. The plan:

- begins with an analysis of each factor affecting the outcome;
- indicates the relevant expertise for dealing with each problem;
- suggests the action options most suited to achieving the client's objectives; and
- sets forth the timing for each phase of activity.

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III. HOW SHOULD WE IMPLEMENT THE PLAN?

Once it is determined that the project can be accomplished and a sound approach has been devised to bring it to fruition, the implementation process begins. APCO or its sister corporation will then--at the client's request--take responsibility for various aspects of the project. APCO's services include:

- marshalling the diverse resources that the project requires and bringing them to the development process in a timely way;
- managing the professionals who are needed to carry out the plan;
- providing an "early warning system" that signals difficulties and then working with the client to design appropriate responses;
- providing the client with periodic and realistic assessments of progress; and
- developing a long-term operations and management program for the venture.

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APCO'S CLIENT SERVICES

APCO's services are designed for clients as diverse as its services. They include:

- Services to Universities. APCO works with public and private universities to help them make the best use of their increasingly limited resources. APCO

personnel have developed innovative approaches for the development of faculty and student housing as well as multi-purpose university facilities.

- Services to Cities. APCO works with cities to overcome problems relating to the creation of new services and the redeployment of local resources. Recent projects undertaken by APCO and Arnold & Porter personnel have involved the planning and franchising of cable television and the review of multi-use real estate ventures.

- Services to Nonprofits and Private/Public Partnerships. APCO works with profit-making and nonprofit entities to devise unique approaches to the commencement of new services and the solution of problems that are interfering with current services. APCO personnel have worked on a wide range of programs; from expanding television offerings for the hearing impaired to ensuring a future for a prominent symphony.

- Washington Services. APCO, working closely with professionals at Arnold & Porter, has extensive experience in dealing with the federal government--on Capitol Hill, in the Executive Branch, and at the regulatory agencies. If the problem requires a Washington-based solution, APCO can normally provide the necessary assistance.

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U.S. Department of Justice
Washington, D.C. 20530

Short-Form Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0013
Approval Expires Oct. 31, 1986

Each partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related or similar capacity.

1. Name	Registration No.
Kimberly Sue Olson	3597
2. Residence Address	**3. Business Address**
225 1/2 C Street, N.E. Washington, D.C. 20002	1200 New Hampshire Avenue, N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958; Arlington, Washington **Present Citizenship** United States	**5. If present citizenship was not acquired by birth, indicate when, where, and how acquired.**

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file this statement?

Name APCO Associates Address 1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association
[SEE ATTACHMENT A for additional names.]

9. Indicate your connection with the individual or organization named in Item 7:
☐ partner ☐ director ☒ employee
☐ officer ☐ associate ☐ agent
☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If you are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be used.)*
As Legislative Associate, I will perform all necessary functions in that capacity.

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11. Do any of the above described services include political activity as defined in the footnote below?
☒ Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined in the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
☒ full time basis ☐ part time basis ☐ special basis

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____
☐ Fee: Amount $ _____ ☐ Other thing of value _____

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount

I receive a regular salary plus out-of-pocket expenses.

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with an election to political office or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

12/19/85
Date of Signature

Kimberly Olson
Signature

Subscribed and sworn to before me at Washington, D.C.

this 19 day of Dec, 19 85.

Patricia A Davies
Signature of notary or other officer

My commission expires Jan 31, 19 90.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/My salary is paid on an annual basis in semi-monthly installments without regard to time spent on particular matters.

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ATTACHMENT A

Amok, Ltd.

Eldorado Resources Limited

Uranerz Exploration and Mining Limited

Canadian Meat Council

Profilo Holding A.S.

Saskatchewan Mining Development Corporation

Corporacion Nacional del Cobre de Chile (Codelco)

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U.S. Department of Justice
Washington, DC 20536

Exhibit B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Oct. 31, 1983

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	3597

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

(See answer to Number 4, below.)

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

The fee for such services is to be determined periodically based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

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6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1] Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant may engage in political activities on behalf of the foreign principal. The Registrant's activities may, on occasion, include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with members of the U.S. Senate and House of Representatives and their staffs relating to legislation and actions of the Executive Branch and government agencies that may affect or relate to the foreign principal.

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Date of Exhibit B	Name and Title	Signature
February 6, 1986	Margery Kraus, Executive Vice President	MKraus

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

U.S. Department of Justice
Washington, DC 20530

Supplemental Statement
Pursuant to Section 2 of the Foreign Agents Registration Act of 1938, as amended.

OMB No. 1105-0002
Approval Expires Oct. 31, 1986

DEC 20

For Six Month Period Ending _____
(Insert date)

Name of Registrant APCO Associates **Registration No.** 3597

Business Address of Registrant 1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

I—REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual: N/A

(1) Residence address	Yes ☐	No ☐
(2) Citizenship	Yes ☐	No ☐
(3) Occupation	Yes ☐	No ☐

(b) If an organization:

(1) Name	Yes ☐	No ☒
(2) Ownership or control	Yes ☐	No ☒
(3) Branch offices	Yes ☐	No ☒

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REGISTRATION UNIT

2. Explain fully all changes, if any, indicated in item 1. N/A

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	*Position*	*Date Connection Ended*
N/A		

4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Residence Address*	*Citizenship*	*Position*	*Date Assumed*

5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal? Yes ☐ No ☐ N/A

If yes, identify each such person and describe his services.

6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Position or connection*	*Date terminated*

7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity? Yes ☒ No ☐

If yes, furnish the following information:

Name	*Residence Address*	*Position or connection*	*Date connection began*
David Parkhurst	4509 Everett St Kensington, MD 20895	Researcher	September 1, 1985
Anita Epstein	409 Greenbrier Drive Silver Spring, MD 20910	Senior Legislative Associate	September 1, 1985

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II—FOREIGN PRINCIPAL

8. Has your connection with any foreign prinicpal ended during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information N/A

Name of foreign principal *Date of Termination*

9. Have you acquired any new foreign principal[1] during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information: N/A

Name and address of foreign principal *Date acquired*

10. In addition to those named in Items 8 and 9, if any, list the foreign principals[1] whom you continued to represent during the 6 month reporting period.

Korean Traders Assoc.
World Trade Center, Korea Bldg.
C.P.O. Box 1117
Seoul, Korea

Canadian Forest Industries Council
85 Albert Street
Ottawa, Ontario
Canada KIP 6A4

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III—ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes XX No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

See Attachment A

[1] The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity[2] as defined below?
Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

See Attachment B

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully. N/A

[2]The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign polic[illegible] the United States or with reference to the political or public interests, policies, or relations of a governmen[illegible] foreign country or a foreign political party.

IV—FINANCIAL INFORMATION

14. (a) **RECEIPTS—MONIES**

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.[3]

Date		*From Whom*	*Purpose*	*Amount*
6-31-85	A&P	(Korean Traders)	Fees	3,342.50
6-31-85	A&P	(Korean Traders)	Disbursements	299.31
11-4-85	A&P	(Korean Traders)	Fees	121.25
11-4-85	A&P	(Korean Traders)	Disbursements	30.00
12-2-85	A&P	(Korean Traders)	Fees	205.00
7-31-85	A&P	(Canadian Forest Industries)	Fees	28,170.00
7-31-85	A&P	(Canadian Forest Industries)	Disbursements	906.25
			Total	

(Question 14 (a) is continued on following page)

(b) **RECEIPTS—THINGS OF VALUE**

During this 6 month reporting period, have you received any thing of value[4] other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal? Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal	*Date received*	*Description of thing of value*	*Purpose*
[redacted]			

[3] A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).
[4] Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS—MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	*To Whom*	*Purpose*	*Amount*
Korean Traders			
Various	Xerox Corporation	Duplicating	0.30
11-11-85	Arnold & Porter	Secretarial Services	192.50
Canadian Forest Industries Council			
Various	Xerox Corporation	Duplicating	21,967.94
Various	C & P Telephone	Telephone	717.83
Various	U.S. Postal Service	Postage	1,012.16
Various	APCO Employees	Cash Expense	4,036.83
Various	APCO Employees	Local Transportation	2,098.05
Various	Arnold & Porter	Secretarial Services	16,503.75
Various	Federal Express	Courier Service	229.95
Various	RCA Global Communications	Telex	502.85
Various	Mead Data Central	Lexis	5,704.63
8-26-85	Washington Service Bureau	Publications	29.80
9-26-85	National Journal	Publications	1.74
11-11-85	Arnold & Porter	Legal Assistant Services	11,636.50
Various	The Bread Oven	Meals	20.35
10-28-85	Guest Services	Meals	52.55
10-22-85	The Hunt Room	Meals	882.55
10-11-85	Hyatt Regency	Meals	1,675.08

Total

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14 (a) Receipts-Monies (Continued)

Date	From Whom	Purpose	Amount
8-8-85	A&P (Canadian Forest Industries)	Fees	56,711.25
8-8-85	A&P (Canadian Forest Industries)	Disbursements	7,923.67
8-30-85	A&P (Canadian Forest Industries)	Fees	48,014.25
8-30-85	A&P (Canadian Forest Industries)	Disbursements	4,126.15
10-2-85	A&P (Canadian Forest Industries)	Fees	55,592.25
10-2-85	A&P (Canadian Forest Industries)	Disbursements	5,832.69
11-4-85	A&P (Canadian Forest Industries)	Fees	78,624.50
11-4-85	A&P (Canadian Forest Industries)	Disbursements	20,412.05
11-26-85	A&P (Canadian Forest Industries)	Fees	103,113.50
11-26-85	A&P (Canadian Forest Industries)	Disbursements	28,767.29

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15. (b) DISBURSEMENTS—THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value[5] other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?
Yes ☐ No ☒

If yes, furnish the following information:

Date disposed	*Name of person to whom given*	*On behalf of what foreign principal*	*Description of thing of value*	*Purpose*
N/A				

(c) DISBURSEMENTS—POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value[5] in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?
Yes ☐ No ☒ */However, the following person who has filed a Short-Form Registration Statement has made contributions in connection with Elections for federal offices:

If yes, furnish the following information:

Date	*Amount or thing of value*	*Name of political organization*	*Name of candidate*
Margery Kraus 10/28/85	$250	Fascell for Congress	Dante Fascell

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V—POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal. Canadian Forest Industries Council

[5]Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☐ Radio or TV broadcasts ☐ Magazine or newspaper articles ☐ Motion picture films ☒ Letters or telegrams

☐ Advertising campaigns ☒ Press releases ☒ Pamphlets or other publications ☐ Lectures or speeches

☒ Other *(specify)* Memoranda

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☐ Libraries

☒ Legislators ☒ Editors ☐ Educational institutions

☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups

☐ Other *(specify)* _____

21. What language was used in this political propaganda:

☒ English ☐ Other *(specify)* _____

22. Did you file with the Registration Section, U.S. Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period? Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, U.S. Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act? Yes ☒ No ☐

VI—EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

(a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A[6] Yes ☐ No ☐ N/A

Exhibit B[7] Yes ☐ No ☐

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? N/A Yes ☐ No ☐

If no, please attach the required amendment. N/A

[6]The Exhibit A, which is filed on Form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.

[7]The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

26. **EXHIBIT C**

If you have previously filed an Exhibit C[8], state whether any changes therein have occurred during this 6 month reporting period. Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment. N/A

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27. **SHORT FORM REGISTRATION STATEMENT**

Have short form registration statements been filed by all of the persons named in Items 5 and 7 of the supplemental statement? Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Margery Kraus

Margery Kraus

Subscribed and sworn to before me at Washington, D.C.

this 3rd day of February, 1986

Margaret A. Hewson

(Signature of notary or other officer)

My Commission Expires June 1, 1986

[8] The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justice, Washington, D.C. 20530.)

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ATTACHMENT A

11. During this 6-month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9 and 10 of this statement?
__X__ Yes _____ No.

If yes, identify each such foreign principal and describe in full detail your activities and services:

Korean Traders Association

No activities

Canadian Forest Industries Council

The Registrant assisted Arnold & Porter in representing the principal in connection with proposed legislation with respect to efforts to restrict imports of lumber and other forest products from Canada.

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Attachment B

12. During the 6 month reporting period, have you on behalf of any foreign principal engaged in political activity as defined below?

YES X NO _____

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating among other things, the relations, interests, and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to date, places of delivery, names of speakers and subject matter.

Canadian Forest Industries Council

On behalf of the foreign principal, the Registrant had discussions regarding proposed restrictions on imports of lumber from Canada with Berta Bradford, Aide to Rep. Pickle, on September 10, 1985; with Jeff Crane, Aide to Rep. Crane, on September 10, 1985 and October 21, 1985; with Rep. Jenkins, US Congressman, on September 10, 1985; with Rep. Guarini, US Congressman, on September 10, 1985; with Mary Beth Riordan, Aide to Rep. McGrath, on September 10, 1985; with Steve Wallace, Aide to Sen. D'Amato, on September 24, 1985 and October 8, 1985; with Bob Guttman, Aide to Sen. Quayle, on October 3, 1985; with Bill Mattea, Aide to Sen. Dixon, on October 8, 1985; with Steve Nousen, Aide to Sen. Hatfield, on June 27, 1985 and September 27, 1985; with Brose McVay, Aide to Sen. Quayle, on October 3, 1985; with George Dalley, Aide to Rep. Rangel, on October 4, 1985; with Rachel Sotsky, Aide to Sen. Rudman, on October 4, 1985; with David Cox, Aide to Sen. Boren, on October 4, 1985; with Rep. Bevill, US Congressman, on October 8, 1985; with Rep. Bentley, US Congresswoman, on October 8, 1985; with Lisa Lerner, Aide to Sen. Dixon, on October 8, 1985; with Rep. Callahan, US Congressman, on October 8, 1985; with Mike House, Aide to Sen. Heflin, on October 9, 1985 and November 7, 1985; with Meg Hunt, Aide to Sen. Denton, on October 9, 1985; with George Krumbhaar, Aide to Sen. Glenn, on October 9, 1985; with Rep. Lott, US Congressman, on October 9, 1985; with Sen. Denton, US Senator, on October 9, 1985; with Rep. J. Lazerov, Aide

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to Sen. Sarbanes, on October 16, 1985; with Jim Guthrie, Aide to Sen. Biden, on October 17, 1985; with David Rudd, Aide to Sen. Hollings, on October 17, 1985; with Ruth Kurtz, Aide to Sen. Roth, on October 17, 1985; with Mary Ann Richardson, Aide to Rep. Lundine, on October 23, 1985; with Karen Johnson, Aide to Rep. Towns, on November 6, 1985; with Sen. Long, US Senator, on November 6, 1985; with Sen. Johnston, US Senator, on November 6, 1985; with Russell Smith and Becca Gould, Aides to Rep. Broyhill, on November 7, 1985; with Barbara Eymen, Aide to Rep. Panetta, on November 8, 1985; with Gregg Mounts, Aide to Rep. Dingell, on November 8, 1985; with Orlando Potter, Aide to Sen. Pell, on November 5, 1985; with Rep. Clinger, US Congressman, on November 16, 1985; with Randall Luthi, Aide to Sen. Simpson, on November 19, 1985; with Sen. Baucus, US Senator, on November 21, 1985; with Rep. Duncan, US Congressman, on November 21, 1985; with Rep. W. Lehman, US Congressman, on December 4, 1985; with David Roach, Aide to Rep. Williams, on June 14, 1985; with Cindy Wilhite, Aide to Rep. R. Smith (OR), on June 14, 1985; with Rep. Wyden, US Congressman, on June 14, 1985 and July 26, 1985; with Rich Brown, Aide to Rep. Wyden, on June 14, 24, 1985 and July 26, 1985 and August 30, 1985; with Rep. Schulze, US Congressman, on June 19, 1985 and October 23, 1985; with Rich Merski, Aide to Rep. Schulze, on June 19, 1985; with Rick Samans, Aide to Rep. Pease, on June 27, 1985; with Pat Eveland, Aide to Rep. Frenzel, on June 28, 1985; September 9, 1985 and October 3, 21, 1985; with Jim Schlict, Aide to Rep. Heftel, on July 1, 1985 and October 22, 1985; with George Weise, Ways and Means Committee, on July 24, 1985, September 11, 13, 1985, October 3, 1985, November 6, 1985 and December 16, 1985; with Meredith Broadbent, Minority Staff - Ways and Means Committee, on July 24, 1985; with Jeff Lang, Senate Finance Committee, on July 24, 1985; with Mike Pate, Aide to Sen. Bentsen, on July 24, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Anthony, US Congressman, on July 25, 1985 and September 10, 1985; with Rep. AuCoin, US Congressman, on July 25,

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1985; with Jan Kinney, Aide to Rep. Jenkins, on July 25, 1985; with Rep. Bonker, US Congressman, on July 25, 1985 and October 30, 1985; with Mark Murray, Aide to Rep. Bonker, on July 25, 1985; with Sen. Durenberger, US Senator, on July 25, 1985; with Jimmy Powell, Aide to Sen. Durenberger, on July 17, 19, 25, 1985 and November 19, 1985; with Carolyn Blaydes, Aide to Rep. Downey, on September 11, 1985; with Woody Keeney, Aide to Rep. Gregg, on September 11, 1985; Rep. Jacobs, US Congressman, on September 11, 1985; with Leslie Brown, Aide to Rep. Gradison, September 11, 1985; with Jonas Bobelis, Aide to Schulze, on September 11, 1985; with Rufus Yerxa, Trade Sub., Ways and Means, on September 13, 1985 and December 16, 1985; with Sandra Taylor, Aide to Sen. Chafee, on September 18, 1985; with Ed Greelegs, Aide to Rep. Russo, on September 16, 1985; with Peter Knight, Aide to Sen. Gore, on July 25, 1985; with Leon Fuerth, Aide to Sen. Gore, on July 25, 1985; with Henry Barton and Mark Elam, Aides to Rep. Campbell, on September 9, 1985; with Tom Friemuth, Aide to Rep. Daub, on September 9, 1985; with Donna Feinberg, Aide to Rep. Dorgan, on September 9, 1985; with Anne Urban, Aide to Rep. Kennelly, on September 9, 1985; with Rep. Don Pease, US Congressman, on September 10, 1985; with Jim Hawley, Aide to Rep. Gephardt, on September 10, 1985; with Bob Ludwiczak, Aide to Sen. Grassley, on September 18, 1985 and October 4, 1985; with Greg Farmer, Aide to Rep. MacKay, on October 2, 1985; Tom Spulak, House Rules Committee, on October 2, 1985 and November 8, 1985; with Pat Maclauseland, Aide to Sen. Gorton, on October 4, 1985; with David Bley, Aide to Rep. Lowry, on October 7, 17, 1985; with Rep. Mike Lowry, US Congressman, on October 7, 17, 1985; with Thelma Askey, Minority Staff-Ways and Means Committee, on November 4, 1985; with Chris Finn, Aide to Rep. J. Jones, on November 11, 1985; with Rep. Sikorski, US Congressman, on November 8, 1985; with Rep. Richardson, US Congressman, on November 14, 1985; with Dan Evans, Aide to Rep. Bonker, on December 6, 1985; with Louis Roth, Aide to Sen. Glenn, on October 9, 1985; with Rep. Feighan, US Congressman, on October 9, 1985; with Floyd Fithian and Dan McGrath, Aides to Sen. Simon, on October 9, 19, 1985; with Phil Rotondi, Aide to Rep. Foglietta, on October 17, 1985; with Bill Morley, Aide to Sen. Spector, on October 17, 1985; with Sen. Gorton, US Senator, on October 18, 1985; with

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Rep. Dicks, US Congress, on October 18, 1985; with Joe Mentor, Aide to Sen. Evans, on October 18, 1985; with Charles Broches, Aide to Rep. J. Miller, on October 18, 1985; with Sam Story, Aide to Rep. Emerson, on October 21, 1985 and November 18, 1985; with Rep. Fascell, US Congressman, on October 21, 1985 and November 18, 1985; with Rep. R. Young, US Congressman, on October 23, 1985; with Rep. Erdreich, US Congressman, on October 29, 1985; with Frank Toohey, Aide to Rep. Flippo, on October 29, 1985; with Steve Raulston, Aide to Rep. Dickinson, on October 29, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Emerson, US Congressman, on October 9, 1985; with Rep. Stangeland, US Congressman, on October 9, 1985; with Rep. St. Germaine, US Congressman, on October 9, 1985; with Marcia Aronoff, Aide to Sen. Bradley, on October 9, 1985; with Rep. Michel, US Congressman, on October 19, 1985; with Rob Kirchner and Jim Cuttell, Aides to Rep. Roukema, on October 19, 1985; with Pat Wait, Aide to Rep. Bentley, on October 19, 1985; H.P. Goldfield, Assistant Sec. Commerce Dept, on June 25, 1985; with Jim Medas, Dept. Asst. Sec. of State for Canadian Affairs, on June 26, 1985, July 15, 17, 22, 1985, and October 7, 1985; with John Anderson, Commerce Department, on September 6, 1985; with Bill Merkin, USTR, on July 25, 1985, August 13, 1985, September 12, 1985, October 7, 11, 21, 24, 1985, and November 5, 12, and 22, 1985; with John Stiner, Commerce Department, on August 14, 1985, October 8, 16 29, 1985, November 15, 1985; with Mike Kelly, Commerce Department, on August 14, 1985, October 15, 21, 30, 1985; with Alex Platt, National Security Council, on November 20, 22, 1985; with Amb. Michael Smith, Deputy USTR, on July 24, 1985; with Alan Holmer, General Counsel - USTR, July 24, 25, 1985; with Gene Allister, White House Staff, on August 28, 1985 and September 10, 1985; with Susan Beasley, Treasury, September 12, 1985; with Andy Card, Special Asst., The White House, on September 5, 1985 and October 8, 1985; with Chris Kristiansen, Commerce Department, on October 21, 1985; with Lehman Li, White House Staff, on November 5, 1985; with Ann Hughes,

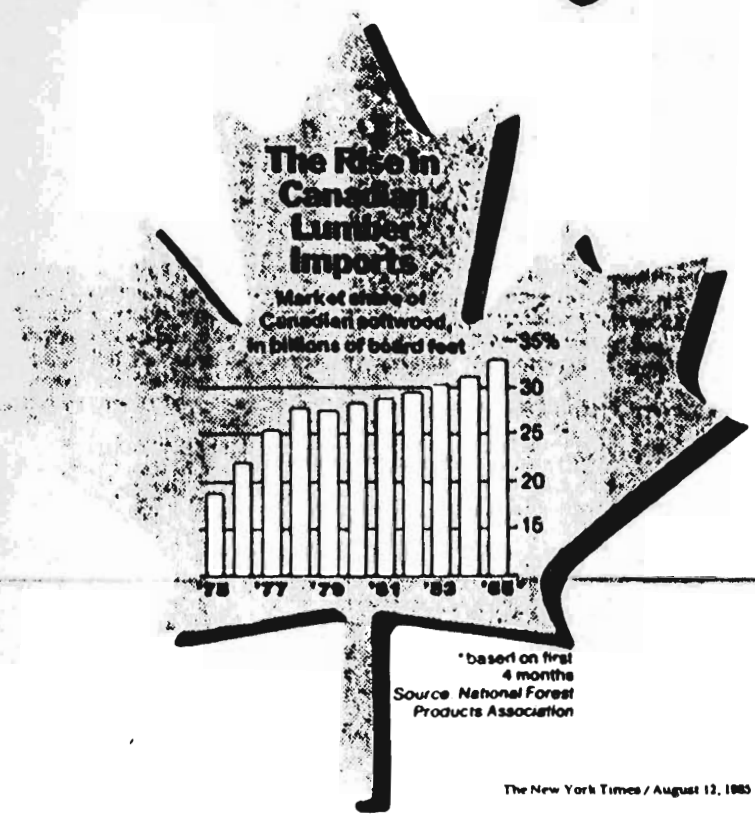
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Deputy Assistant Sec. - Commerce, on August 14, 1985 and November 22, 1985; with Bill Barreda and Bill Murden, Treasury, on August 13, 1985; with Tom Kay, Agriculture, on August 14, 1985; with Bruce Smart, UnderSecretary of International Trade, Department of Commerce, on August 14, 1985; with Robert Searby, Betsy White and Chris Hankin, Labor, on August 14, 1985; with Robert Cornell, Treasury, on September 12, 1985; with Randy Davis, Office of Management and Budget, on September 11, 1985; with Thomas Moore and Joseph Stone, Council of Economic Advisors, on August 14, 1985; with Doug McMinn, Department of State, on October 21, 1985; with Mike Farren, Commerce Department, on November 22, 1985.

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NEW YORK TIMES AUG. 12, 1985

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The New York Times / August 12, 1985

U.S.-Canadian Rift On Wood Exports

By DOUGLAS MARTIN

Special to The New York Times

VANCOUVER, British Columbia — A serious confrontation over Canada's growing lumber exports to the United States appears to be looming, with a flurry of legislation before Congress to limit shipments through duties or quotas.

The main issue is contentions by members of Congress and the American lumber industry that Canadian companies are buying standing timber from provincial governments at unfairly subsidized prices.

"In effect, the provinces give the timber to the manufacturers there," said Stanley S. Dennison, executive vice president of the Georgia-Pacific Corporation, perhaps the largest importer and marketer of Canadian lumber.

Canadians counter that their log prices are no lower than American ones in comparable areas and point to an extensive Commerce Department investigation in 1982 that concluded there were no "significant subsidies."

"It's very difficult for the provincial government to stop giving subsidies, if there is no subsidy," a Canadian Government official snapped.

But Trent Lott, Republican of Mississippi, the House Minority Whip, said, "Canada has to understand that there's a freight train coming down the track on this issue, and there's no brakeman."

The issue has clouded the world's biggest bilateral trade relationship, which President Reagan and Prime Minister Brian Mulroney pledged to try to enhance during their March summit meeting. Trade between the two nations last year surpassed $118 billion, double that between the United States and Japan.

Clayton K. Yeutter, the United States Trade Representative, said during his confirmation hearing recently that the United States and Canada cannot seal a free-trade deal until the lumber issue is resolved.

When Congress returns from summer recess, it will face a half-dozen bills to restrict Canadian lumber. The bill with the widest support, sponsored by some 70 Congressmen, was submitted by Representative Sam Gibbons, Democrat of Florida, chairman of the trade subcommittee of the House Ways and Means Committee. It calls for a change in the laws governing countervailing duties to punish governments that allow the extrac-

Continued on Page D6

Quarterl

By RICHARD W. STEVI

Weak economic growth le luster corporate earnings ond quarter, with the bri overwhelmed by depressed a wide range of industries

"The profits picture w pointing but not unexpected slow economy in general i half of the year," said R Gough, an economist at sources Inc., (the economic firm. The nation's economy only a 1 percent annual ra first six months of 1985 an

Brazil M Delay Pa With I.M

By ALAN RIDING

Special to The New York Ti

RIO DE JANEIRO, Au Rather than accept an aust gram that could slow the economic recovery, Braz Government now appears postponing, until 1986, the c of a credit agreement with national Monetary Fund

A planned rescheduling o lion in commercial debt ma tween 1985 and 1991 may a layed, since foreign banks sisted on fund approval o stabilization program bef pleting their stalled negoti

After meeting President ney in Brasília last week Reed, chairman of Citicorp "it has been our philosoph the guidance of the I.M added that "the President to us his feeling that Br time to restructure its ec

If formalized, the Brazi would confirm recent sign pansionist" economists in ning Ministry who belie should pay less heed to mands are winning an i ingly public battle against thodox" monetarists in th Ministry.

'Studying the Idea'

"We're studying the ide nance Minister, Francisco said last week. "There schools of thought here. On an immediate agreement wants to break with the

In recent public statem dent Sarney has echoed

Continued on Page



STEVE FORRESTER'S

NORTHWEST LETTER

FROM WASHINGTON, D.C.

Vol. 5, No. 12 Copyright 1985, Steve Forrester June 24, 1985

8904076 1986

BONNEVILLE LOCK REMAINS ALIVE IN SENATE SUPPLEMENTAL APPROPRIATIONS BILL

Following a meeting between Sen. Mark Hatfield and Office of Management and Budget Director David Stockman, the Reagan Administration has lifted its opposition to authorization and partial funding of the new navigation lock at Bonneville Dam in the Supplemental Appropriations Bill. Hatfield's language in the bill would fund Bonneville and 24 other water projects only after the Corps of Engineers has negotiated a cost-sharing arrangement with local parties. In the case of the Bonneville Lock, it is unclear who those parties would be, but Hatfield and others speculate that they might include the states of Oregon and Washington or various port districts.

Prior to final passage by the Senate, Hatfield added an interesting twist to the cost-sharing language by adding a sunset provision. In other words, the Corps of Engineers must negotiate its cost-sharing agreements by June 30, 1986. That amendment is clearly aimed at the Corps' ability to stall a project.

Hatfield clearly has the administration where he wants it. The supplemental, as passed by the House, already includes several military items such as aid to Jordan and the Contras in Nicaragua, which Reagan wants.

It will remain for Hatfield to keep the lock's funding in the bill during the House-Senate conference. Last year, House Democrats caved in on the issue leaving Hatfield angry. "I'm only hopeful that Democrats in the House will show courage this time," said Hatfield last week.

Another big Northwest item in the Supplemental is construction of a low-level sediment cachement dam in the Mount St. Helens area, to which the House has already agreed. The Senate bill includes another House-passed item: language which requires congressional approval before any funds may be spent to implement a land swap between the Forest Service and the Bureau of Land Management.

TIMBER ISSUE FLAMES: CONGRESS PUSHES WHITE HOUSE AS CANADIANS COUNTERPUNCH

At the behest of Rep. Larry Craig of Idaho, a timber summit is held this Tuesday in the Capitol involving congressmen and senators and three key members of the Reagan administration. During the 45-minute session, members will pressure the administration to get tough with the Canadians, threatening to pass one of three major bills now in the hopper.

Northwest members will probably dominate the gathering numerically, but others will attend from the Southeast, New England and the Southwest. Administration officials on hand will include Commerce Secretary Malcolm Baldridge, congressional liaison Max Friedersdorf and the new U.S. Trade Representative, if he has been confirmed.

Meanwhile, the Canadians have abandoned their reluctance to speak publicly about the issue. On June 11, five spokesmen led by Richard Herring, assistant

deputy minister of the Canadian Forestry Service, met the Canadian and U.S. press at the Canadian embassy. The mere fact that the embassy convened this session indicates that Canada believes the situation in Congress has become markedly more serious.

The group tried to dispel what Herring called four myths perpetrated by the U.S. lumber industry and by various congressmen. The myths, as identified by the Canadians, were that:

-- Canadian timber stumpage is subsidized by the government;
-- Canada's share of the U.S. lumber market has increased dramatically;
-- Canada's lumber industry is expanding while America's is shrinking; and
-- Canada is not using responsible forest practices, most notably in reforestation of its cut-over timber lands.

If a representative of the U.S. lumber industry had been present, there would have been a lively debate on at least three of the four points. That is not to detract from the Canadians' presentation, which was effective. Their most convincing argument regarding the subsidy question was their reference to the 1983 ruling by the U.S. Department of Commerce. As a result of its investigation, the International Trade Administration found that any subsidy to Canadian lumber was less than one percent of the cost of lumber sold.

The Canadians are worried about three bills. Legislation sponsored by Rep. Don Bonker would establish a one-year period for negotiations between the two governments. If no agreement were reached at the end of that period, a temporary 10 percent tariff would be placed on Canadian wood products and the definition of subsidy would be changed to include below-market stumpage pricing. The bill sponsored by Rep. Sam Gibbons, R-Fla., would amend the Tariff Act concerning countervailing duties applied to natural resource imports. That of Congressmen Jim Weaver and Larry Craig would restore the level of Canadian lumber imports to a historic, lower level than it is now.

The Gibbons bill most alarms the Canadians, because it would redefine subsidies in international trade of natural resources products. Passage of the Gibbons bill would make it easier for the U.S. lumber industry to bring its case before the U.S. International Trade Commission or the Department of Commerce.

An aide to Rep. Bonker says that, "There is no doubt that the Gibbons Bill will be reported out of the House Ways and Means Committee."

The Canadian Embassy has taken the extraordinary step of communicating its displeasure with the Gibbons bill in a June 7 note to the U.S. State Department. "It is the Canadian government's view that the proposals contained in this bill represent a fundamental and potentially dangerous departure from longstanding U.S. and international practice regarding the definition of what constitutes a subsidy," states the diplomatic note.

The Canadian note also raises the spectre of retaliation. "In an immediate sense, U.S. exports of textiles and petrochemicals would be put at risk through the regulation of natural gas prices, agricultural products through the pricing of water and grazing rights, and manufactured goods of all description through regulated rates."

As this note indicates, nothing less than U.S.-Canadian trade is at stake in how this matter is handled. The Canadian message is quite simple: We currently have a major trading relationship, but action against our lumber exports to your country could spark a trade war.

PIECES OF THE PUZZLE

DAVID WHITNEY OF THE OREGONIAN LEARNS THAT REP. JIM WEAVER has borrowed more than $81,900 from his own campaign funds. While Weaver's loan seems not to be illegal under federal law, it may conflict with House rules, and the specialists whom Whitney interviewed knew of now such precedent. Weaver said the loans were made to him so he could invest the money for the campaign.

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WHEN A LONG-AWAITED JOINT HEARING INVOLVING REP. JIM WEAVER'S subcommittee was convened recently, Weaver was nowhere to be found. Fisher Broadcasting's Tim Hillard discovered that Weaver's Eugene staff didn't know where the congressman was and his D.C. staff also did not know his wherabouts.

TWO NORTHWEST POLITICAL OPERATORS HAVE TEAMED UP under the existing firm of Northwest Strategies, Inc. Len Bergstein, founder of the firm and resident of Portland, has entered an agreement with Ron Dotzauer, the former auditor of Clark County, Wash. Dotzauer will open a Northwest Strategies office in Seattle. The firm specializes in government relations, strategic planning and marketing. Dotzauer ran the late Sen. Henry Jackson's offices in Spokane and Seattle and he was campaign manager for Jackson's final campaign. Bergstein was an aide to former Oregon Gov. Bob Straub and to Neil Goldschmidt while he was U.S. transportation secretary.

REP. DON BONKER'S PRESS SECRETARY, HEIDI HUGHES, HAS LEFT to work for the Montgomery County Cable System in community relations. Bonker is looking for a replacement.

SEN. SLADE GORTON AND REP. MIKE LOWRY ARE FACING each other across the table in the House-Senate Conference Committee on the Budget. During a recent interview on "Northwest Week in Review," Lowry left little doubt that he is itching to run against Gorton. Asked by Norm Brewer of Gannett how he would go about running against Gorton, Lowry said, "I've been more effective than Slade." Lowry's reference was to the Export-Import Bank's direct loan program which is in the House-passed budget, but not in the Senate's. The loan program is important to the Boeing Co. For Northwest correspondents, Lowry's shot at Gorton also referred to the line which Gorton worked on Lowry during the Lowry-Dan Evans race for the Senate of 1983. Gorton told reporters assembled in his office that Lowry had been the least effective member of the Washington state House delegation.

WASHINGTON STATE HOUSE DEMOCRATS ARE GETTING A CHUCKLE OUT OF a two-page press release which Sen. Slade Gorton issues to herald a ship overhaul at a Seattle yard. One veteran points out that the contract is the kind of thing that would have rated a paragraph announcement from the king of pork, former Sen. Warren Magnuson. The other irony, of course, is that Gorton ran against Magnuson as a kind of anti-pork, cut-the-budget candidate who wasn't gave every indication that he wasn't interested in the appeal that federal largesse holds for the voters.

THE NATIONAL GOVERNORS ASSOCIATION AUGUST MEETING IN BOISE will be a showcase for Idaho Gov. John Evans, who is getting ready to run against Sen. Steve Symms.

THE INTERIOR APPROPRIATIONS BILL PASSED BY THE SUBCOMMITTEE last week includes $3.4 million for purchase of timber rights of a Red Cedar grove to increase the size of the Willapa National Wildlife Refuge on Willapa Bay in Southeast Washington state.

REP. AL SWIFT HAS HIRED AN ACTING PRESS SECRETARY as Sara Lee departs. John O'Leary comes to Swift from prior service with former Washington state Congressman Lloyd Meeds and Mike Barnes, a Maryland congressman.

IDAHO'S REPUBLICAN SENATORS AND CONGRESSMAN HAVE not been informing Democratic Rep. Richard Stallings of some recent agency briefings.

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THERE ARE 1,172 NUCLEAR WARHEADS IN WASHINGTON STATE, according to a recent study by the Institute for Policy Studies. That ranks Washington fifth among states housing warheads.

CONGRESSMAN LES AuCOIN IS ANGRY AT AN ASSERTION in The Oregonian that he led Rep. Bob Smith to vote against the Bonneville Lock on an amendment to the Supplemental Appropriations Bill. Both Bob and Denny Smith voted against the lock and Rep. Jim Weaver did not vote on the amendment. Weaver says he had left town believing there would be no more important votes.

Titled "AuCoin shares blame," the editorial in The Oregonian asserts that AuCoin did not fill Bob Smith in completely on what the amendment meant. "This is just bizarre," says AuCoin. "After giving an arm and a leg to get the lock included, they suggest that I would throw it all down the drain in an attempt to embarrass a member with whom I had no beef."

For his part, Bob Smith writes in his weekly newspaper column that the lock should go through the normal committee authorization process and not be authorized on an appropriations bill.

THE CAPITOL HILL RESIDENCE OF FRESHMAN CONGRESSMAN JOHN MILLER is featured in the Washington Home section The Washington Post. The section runs full color photos of the redone backyard of the Miller's Capitol Hill home.

THE SPECIAL SUBCOMMITTEE ON TRADE WITH CHINA, chaired by Rep. Al Swift, has been given a two-year extension on its life by Energy and Commerce Committee Chairman John Dingell, D-Mich. Since Swift has no chairmanship of a permanent subcommittee, this is an important development for him.

THE SIERRA CLUB JUMPS INTO THE BLM-FOREST SERVICE land swap issue, arguing that the proposal is an attack on public land wilderness. The Sierra Club says that buried in the land swap proposal is a provision called "administrative release," which could be used to release BLM wilderness study areas for development once they had been transferred to the Forest Service.

KING TELEVISION WILL HAVE A FULL COMPLEMENT OF REPORTERS within about one month. George Snyder, a reporter at KING-TV in Seattle has been chosen to join Bureau Chief Andy Beers and correspondent Tom Ackerman. Snyder recently won two of Seattle's Emmies for his documentary titled "Timber, Fall of the Giant." Snyder will arrive here July 27.

FOURTH EDITION OF GERRY FRANK'S GUIDE TO NEW YORK CITY will be out in September. Frank is administrative assistant to Sen. Mark Hatfield.

LISTENERS IN THE PORTLAND METROPOLITAN AREA MAY HEAR "Northwest Week in Review" in its entirety at 7:30 pm Mondays beginning July 1 on KOAP-FM (91.5 FM). The station also might continue to broadcast an abbreviated (15-minute) version of the show on Wednesdays at 12:10 pm.

CORRECTION: The last issue reported that Kim Olsen is now associated with the law firm Covington & Burling. She is associated with APCO, a subsidiary of the Washington, D.C., law firm, Arnold & Porter, where she will lobby for Canadian timber clients on the lumber imports issue.

Steve Forrester's Northwest Letter is mailed under first-class postage from Washington, D.C. It is published bi-weekly except during long congressional recesses. Subscription price is $98 per year. To subscribe, contact Steve Forrester at 210 Seventh Street, S.E., Box F8; Washington, D.C. 20003, or call 202-543-1878.

8904073 1989

Washington, D.C. 2053. *Under the Foreign Agents Registration Act of 1938, as amended*

Each partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related or similar capacity.

1. Name Kimberly Sue Olson	Registration No. 3597
2. Residence Address 225½ C Street, N.E. Washington, D.C. 20002	3. Business Address 1200 New Hampshire Ave., N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958 Arlington, VA Present Citizenship United States	5. If present citizenship was not acquired by birth, indicate when, where, and how acquired.

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file this statement?

Name APCO Associates Address 1200 New Hampshire Ave., N.W.
Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association

9. Indicate your connection with the individual or organization named in Item 7:
☐ partner ☐ director ☒ employee
☐ officer ☐ associate ☐ agent
☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If you are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be used.)*

As Legislative Associate, Washington Services at APCO for the Canadian Forest Industries Council project only, I will perform all necessary functions in that capacity.

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kets as semiconductors and home computers spread to Britain, but changes in purchasing policy by British Telecommunications P.L.C. and the Ministry of Defense, the two biggest customers for British products, have begun to squeeze major manufacturers. Many doubt that British companies are nimble or powerful enough to respond well.

"The small size of the British players in the international market has reared its head," said Graham Monk, who follows the industry for Wood MacKenzie & Company.

Worry began to mount here early this year. Public attention focused first on the home computer sector, where Britain's two best known entrants — Acorn Computer Group P.L.C. and Sinclair Research Ltd. — were driven to the brink of collapse.

Cambridge-based Acorn was first called out in February by a $12.4 million cash injection from Italy's Ing. C. Olivetti & Company, which took a 49.3 percent stake in the company and replaced its management. However, sales of Acorn's BBC Micro and Electron home computers continued to slump, forcing a second bailout last month that involved write-offs by Acorn's creditors, lost licensing revenue to the British Broadcasting Corporation (which sponsored the BBC computer), and a jump in Olivetti's stake to almost 80 percent.

Sinclair Research also ran into trouble. In June, Sir Clive Sinclair, the father of Britain's home computer revolution, agreed to sell 75 percent of his company to a firm controlled by Robert Maxwell, the publisher of the Mirror Group of newspapers, for $18 million. Sir Clive also agreed to resign as chairman and leave the board of directors in a last effort to save the enterprise valued at $135 million just two years earlier.

Friday, after auditors examined

problems soured British investors on the entire industry, sending the Financial Times index of electronics stocks plunging from a high of 2,116.35 on Jan. 9 to 1,260.70 early last month. Prices have recovered to 1,447.8, but investors remain wary.

"It represents a pretty fundamental change of perspective on the part of investors," said Laurence Heyworth, who follows the industry for Robert Fleming & Company, the merchant bank that runs an over-the-counter market in electronics shares. "They are realizing that the kind of profitability they had been seeing may not have been the best indicator of long-term health."

The psychological impact of the industry's problems has shown up in share price declines for companies whose expansion has lived up to expectations, such as Ferranti P.L.C., and in sectors that remain relatively healthy, such as software. At the same time, new companies seeking funding by share offerings on Britain's Unlisted Securities Market are having to adjust their expectations downward.

Chief Ousted at Thorn

The most spectacular loss of confidence struck Thorn EMI, whose board of directors last month ousted its chairman and chief executive, Peter Laister, just 15 months after he had been given the job. Mr. Laister's poorly received proposal in May 1984 to merge Thorn, which is heavily involved in consumer electronics and entertainment, with British Aerospace P.L.C., Europe's leading independent manufacturer of aircraft, satellites and missiles, was partly blamed for his problems.

Worse in the eyes of investors, though, was Thorn's subsequent acquisition from the Government of Inmos P.L.C., a start-up semiconductor company that has been losing money. Inmos's problems have been compounded by the fact that the British Government has been trying to sell it since 1982.

Thorn's chairman, Sir Peter Laister, said in a statement that the company had been "unfairly criticized" for the Inmos purchase. He said that Thorn had been "misled" by the Government about the extent of Inmos's problems.

Thorn's new chief executive, Colin Southgate, has begun a drive to cut costs and sell off businesses that do not fit in with the company's core activities. Thorn has already announced the sale of its Thorn Automation unit to Siemens A.G. of West Germany for $60 million.

Mr. Southgate has also begun to reorganize Thorn's operations, which are split into 200 separate companies. Thorn EMI's Ferguson unit, which makes television sets and video recorders, has been merged with Thorn's rental business, which has been losing money.

Thorn's companies have facilities, retains its buoyant long-term outlook, though. Recently, the Digital Equipment Corporation said that it would build a $110 million microchip manufacturing plant just west of Edinburgh to supply semiconductors to its British operations and other Digital factories around the world.

tempts to develop overseas markets and new products.

The costs and risks in such moves have contributed to the City's unease. One reason for the heightened sensitivity is the feeling in the City that the industry has no option but to take even bigger strategic gambles.



Associated Press

A logging truck in British Columbia. When Congress returns to Washington after its summer recess, it will consider several pieces of legislation to limit shipments of lumber from Canada to the United States.

U.S.-Canada Rift Over Lumber Exports

Continued From First Business Page

tion of natural resources at "less than fair market value."

The White House is fighting against lumber protectionism, largely because of its commitment to free trade. But both Congressmen and nervous Canadian Government officials say they count enough votes to override a Presidential veto.

In light of that, American Government officials are working strenuously to reach a compromise. United States officials suggest it might involve easing Canadian restrictions on the export of raw logs, opening the tight Canadian market to American plywood, and a plan to work jointly to expand third-country markets. The hope is that these measures would forestall more drastic action.

Meanwhile, the United States International Trade Commission is conducting a fact-finding investigation of the issues.

In essence, the dispute between Canada and the United States, which has many facets, comes down to "stumpage" — the term for the fee that industry pays the government for standing timber.

One key difference is that in Canada nearly 95 percent of the timberland is owned by provincial governments, while in the United States 70 percent is in private hands.

For publicly owned timber in the national forests of the United States, companies must bid competitively for stumpage. Prices paid at the time of auction can turn out to be unprofitably high if prices for the finished lumber later drop.

In British Columbia, which produces 65 percent of Canada's softwood lumber, and in other provinces, the provincial government sets stumpage fees administratively. First, the provincial government estimates lumber prices and figures roughly how much lumber it wants to produce. From the estimated price, it subtracts capital and operating cost, plus a guaranteed 12 percent profit. What is left becomes the stumpage fee.

Americans charge that, in some cases, Canadian stumpage fees could be as low as zero, if the other costs were high enough. By contrast, American companies must regard stumpage as their first fixed cost.

Special Circumstances Cited

The effect of the two systems is that Canadian companies often pay lower stumpage fees than their American counterparts. But since timber operations here are often located deep in the mountains, requiring long river transportation, the Canadians say the cost of delivered logs is virtually equal.

The industry in the United States does not accept that argument. "They are either very inefficient logging operations, or they're fudging the numbers," said William Lange, manager of resource planning for the Washington-based National Forest Products Administration.

"I find that allegation absolutely offensive," T. M. Apsey, president of the Council of Forest Industries of British Columbia, responded. The costs of operation on the mountainous coast are clearly higher, he says, and the American industry acknowledges that point. But in the interior of British Columbia, where new mills churn up so many trees that they are called "spaghetti factories," the Americans say costs are much less.

The evidence of the disparity in costs, American lumber executives contend, is that last year's rebound in housing starts did not result in a sharp upturn for the depressed American lumber industry. In recent years, the industry has written off some $500 million in assets, and about 250 American sawmills have closed.

The Housing Statistics

But the Canadians point out that even though overall housing starts last year in the United States nearly equalled the 1980 high of 2 million, construction of single-family dwellings declined by 320,000 units. Single-family houses, the Canadians say, use about three times the lumber of a unit in a multiple dwelling. They also say that high demand for pulp and paper in recent years has spurred production of wood chips, an important by-product of sawmills. This has meant more lumber has been produced than justified by the market.

Spokesmen for the American industry also point to sawmill utilization as a key variable. Mills in the United States have been operating at 70 to 80 percent of capacity, while Canada's have been running at more than 90 percent.

Canadians, on the other hand, point out that from 1978 to 1984, employment in their lumber industry fell by more than 18 percent, compared with about 14 percent in the United States.

The Canadian portion of the United States softwood lumber market has steadily grown from 19 percent a decade ago to 28 percent in 1978 and to 31 percent last year, some $2.6 billion worth. Preliminary industry figures suggest a further jump to 35 percent in the first six months of this year.

For Canada, the stakes are huge. Trees generate about $15 billion in revenue a year — more than metals, food and agriculture, fisheries and the automotive industries combined.

While there are many aspects of the lumber business in dispute between the two countries, the focus is on softwood lumber.

Large Softwood Exports

Canada is the largest exporter of softwood lumber, supplying 45 percent of the world trade. Its production grew to 20.6 billion board feet last year, from 10.9 billion in 1975. During the same period, American production grew to 31.3 billion, from 25.7 billion, but the United States exports considerably less than the Canadians.

American lumber executives say they will not be satisfied until Canada cuts its share of the American market to a fifth or less, from the present one-third.

To Mr. Apsey of the Forest Industries Council here, it all seems a trifle bemusing. He remembers being part of a Canadian delegation to Washington in 1972 that was pressed to increase lumber production, as well as exports.

"The world was demanding our lumber, especially the United States," he said.

YOU TOO CAN BE SPECIAL...



11. Do any of the above described services include political activity as defined in the footnote below?
☒ Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined in the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
☒ full time basis ☐ part time basis ☐ special basis

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____
☐ Fee: Amount $ _____ ☐ Other thing of value */

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount

I receive a regular salary plus out-of-pocket expenses

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with an election to political office or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

June 5, 1985
Date of Signature

Kimberly Olson
Signature

Subscribed and sworn to before me at Washington, D.C.

this 5th day of June, 19 85.

Margaret A. Vara
Signature of notary or other officer

My commission expires June 1, 1986.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/ My salary is paid on an annual basis in semi-monthly installments for time spent only on Canadi-- Forest Industries Council and administrative matters

9904073 1992

U.S. Department of Justice
Washington, DC 20530

Amendment to Registration Statement
Pursuant to the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0004
Approval Expires Oct. 31, 1985

1. Name of Registrant	2. Registration No.
APCO Associates	3597

3. This amendment is filed to accomplish the following indicated purpose or purposes:

- ☐ To correct a deficiency in
  - ☐ Initial Statement
  - ☐ Supplemental Statement for _____
- ☒ To give a 10-day notice of a change in information as required by Section 2(b) of the Act.
- ☐ Other purpose *(specify)* _____
- ☐ To give notice of change in an exhibit previously filed.

4. If this amendment requires the filing of a document or documents, please list-

Exhibits A & B

5. Each item checked above must be explained below in full detail together with, where appropriate, specific reference to and identity of the item in the registration statement to which it pertains. If more space is needed, full size insert sheets may be used.

This amendment to Registrant's Registration Statement is to give notice of a new foreign principal of the Registrant, the Canadian Forest Industries Council, and to file the necessary Exhibits A & B.

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Formerly OBD-68

FORM CRM-158
AUG. 82

The undersigned swear(s) or affirm(s) that he has *(they have)* read the information set forth in this amendment and that he is *(they are)* familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his *(their)* knowledge and belief.

Margery Kraus

(Both copies of this amendment shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at Washington, D.C.

this 20th day of May, 1985 Margaret A. Vance
(Notary or other officer)

My commission expires June 1, 1986

8904073199 4

Washington, DC 20530

Exhibit A
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0035
Approval Expires Oct. 31, 1985

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant
APCO Associates
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

2. Registration No.
3597

3. Name of foreign principal
Canadian Forest Industries Council

4. Principal address of foreign principal
85 Albert Street
Ottawa, Ontario
Canada K1P 6A4

5. Indicate whether your foreign principal is one of the following type:

☐ Foreign government

☐ Foreign political party

☒ Foreign or ☐ domestic organization: If either, check one of the following:

☐ Partnership ☐ Committee

☐ Corporation ☐ Voluntary group

☐ Association ☒ Other (specify) Council

☐ Individual—State his nationality

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.
N/A

b) Name and title of official with whom registrant deals.

7. If the foreign principal is a foreign political party, state:

a) Principal address
N/A

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal
The foreign principal aims to provide a vehicle through which the forest industries of Canada, as represented by their respective associations, may actively support common national or regional objectives. With reference to the U.S., the foreign principal tries to ensure the long term viability of the forest industries by defending them against trade restrictions.

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b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ XX No ☐

Directed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ XX No ☐

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ XX No ☐

Financed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ XX No ☐

Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes ☒ XX No ☐

Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes ☒ XX No ☐

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page may be used.)*

The foreign principal is owned, directed, controlled and financed by the following Canadian associations:

Alberta Forest Products Association
Canadian Lumbermen's Association
Canadian Pulp and Paper Association
Canadian Wood Council
Cariboo Lumber Manufacturers' Association
Central Forest Products Association, Inc.
Council of Forest Industries of British Columbia
COFI-Northern Interior Lumber Sector
Interior Lumber Manufacturer's Association
Maritime Lumber Bureau
New Brunswick Forest Products Association
Nova Scotia Forest Products Association
Ontario Forest Industries Association
Ontario Lumber Manufacturers Association
L'Association des Industries Forestieres du Quebec Limitee
The Western Plywood Manufacturers Association

8204073 1996

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

Washington, DC 20530

To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Oct. 31, 1983

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	Canadian Forest Industries Council

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

See Number 4 Below.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

The fee for such services is to be determined based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

RECEIVED
CRIMINAL DIVISION
MAY 21 9 47 AM '85
INTERNAL SECURITY
SECTION
REGISTRATION UNIT

8 9 0 4 0 7 3 1 9 9 7

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1]
Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant will engage in political activities on behalf of the foreign principal. The Registrant's activities may on occasion include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with Members of the U.S. Senate and House of Representatives and their staffs relating to legislation and other actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other forest products from Canada.

8 9 0 4 0 7 3 1 9 9 8

Date of Exhibit B	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

[1]Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or [illegible]y other way influence any agency or official of the Government of the United States or any section of the p[illegible] within the United States with reference to formulating, adopting, or changing the dom[illegible] or foreign policies of the United States or with reference to the political or public interests

Attachment 1

APCO Associates

Board of Directors

Dennis G. Lyons	1203-S. Watergate East 2500 Virginia Ave., N.W. Washington, D.C. 20037	Chairman	U.S.
Myron P. Curzan	5519 Uppingham St. Chevy Chase, MD 20815	Director	U.S.
G. Duane Vieth	3717 Cardiff Road Chevy Chase, MD 20815	Director	U.S.
Stuart J. Land	1816-24th St., N.W. Washington, D.C. 20008	Director	U.S.
Murray H. Bring	7013 Heatherhill Rd. Bethesda, MD 20034	Director	U.S.
James F. Fitzpatrick	3848 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Norman M. Sinel	3710 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Michael N. Sohn	6806 Florida St. Chevy Chase, MD 20015	Director	U.S.
David R. Kentoff	8416 Fox Run Potomac, MD 20854	Director	U.S.
Margery Kraus	9609 Whitecedar Ct. Vienna, VA 22180	Director	U.S.

8904073 1999

Personalities

By Chuck Conconi
Washington Post Staff Writer

Circulating around Capitol Hill this month is a handy handbook for members of Congress. The booklet, "Politicians and Their Spouses' Careers," covers a subject the Founding Fathers never anticipated: the spouse's job. Former Capitol Hill administrative aide **Marc K. Miller**, the author of the book, said the need for such a booklet became apparent to him when Democratic Party vice-presidential candidate **Geraldine Ferraro** was called to answer questions about her husband's business activities.

Miller said his serious and almost academic work is for all those two-career marriages that are going to increase as congressional couples attempt to survive in Washington on a legislator's salary. There are, he added, few rules or guidelines to keep them out of trouble.

The book even includes a detailed legal and ethical checklist the working couple is to answer. It can, however, all be summarized in one standard, Miller said: "How would you feel if anything about your career appeared on the front page" of your local newspaper?

End Notes

In one of those unexpected turns of events, Viking Penguin will publish an authorized biography of **Anatoly B. Shcharansky**, the Jewish dissident who was allowed to leave the Soviet Union last week and is now living in Israel. When the publishers contracted for the work with British historian **Martin Gilbert**, a portion of the proceeds was to go to a fund for the Shcharansky family to continue to seek his freedom. That agreement remains now that he is free and the book is even more timely. Gilbert, who is the author of an eight-volume life of Winston Churchill, also wrote "The Jews of Hope," about Soviet dissidents, and "The Holocaust." A copy of the finished manuscript is to be sent to Shcharansky . . .

Father **Gilbert Hartke**, one of the fathers of Washington theater, is in critical condition



FATHER GILBERT HARTKE

with multiple heart and kidney ailments at Providence Hospital, where he has been since Feb. 12. The 78-year-old Dominican priest, who founded and was chairman of Catholic University's theater department for nearly 40 years, has had a number of hospitalizations over the past year. Since October, he has been hospitalized seven times . . .

Syndicated columnist **Art Buchwald** hosted a salute at New York University's Tamiment Library Wednesday to honor **Virginia Durr**, an 82-year-old civil rights activist from Alabama who published her autobiography, "Outside the Magic Circle," at the end of last year. Buchwald staged a "This Is Your Life" presentation. Among the guests were television newsman **Mike Wallace**, **Bobby Kennedy Jr.**, authors **Carlos Fuentes** and **William Styron** and cartoonist **Jules Feiffer** . . .

Pop star **Madonna** and her tough-guy actor husband **Sean Penn** arrived in West Berlin yesterday surrounded by 15 bodyguards to keep the photographers and fans away. They traveled there from Hong Kong, where they were shooting a movie together, to attend the Berlin Film Festival. Penn is starring in the movie "At Close Range," which is being premiered there. Since Penn hates photographers so and has been in a few fights with them, the newsmen might have been thankful that the squad of bodyguards was present to keep Penn away from them . . .

Federal spending cuts of the kind mandated by the Gramm-Rudman-Hollings act hit home for Illinois Rep. **Lane Evans**. His 58-year-old father **Lee Evans** is now out of work. He was one of four people laid off in Rock Island, Ill., because of cutbacks in the federal community development block grants the city receives. Evans, who voted against Gramm-Rudman-Hollings, said he knew the legislation could possibly affect his father, but he isn't worried about him. He said, "He's an old salt from the Navy. He's been through worse, and he'll get through this. It's going to mean far worse things to less advantaged people. I'm concerned how all these program cuts are going to affect those people" . . .

Vice President **George Bush** was in Cheyenne, Wyo., Wednesday where he met with **John** and **Missy McPhillips**, the brother-sister fourth graders who are attempting to get elementary school children to raise money to build a new space shuttle. NASA isn't keeping separate counts on how much money the space agency has received from individual groups to build another Challenger, but so far a total of $23,000 has been donated. At the billion-dollar-neighborhood cost of a new Challenger, the school kids have a long way to go . . .

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Personalities

By Chuck Conconi
Washington Post Staff Writer

First Lady **Nancy Reagan** is expected to give an official endorsement early next month to an 11-hour antidrug rock concert that will be broadcast by satellite to 140 nations, including the Soviet Union. Titled the Concert That Counts, the April 26 event, at a location yet to be decided, will include some of the biggest rock stars, according to the Los Angeles Times.

Since it is not a fund-raising concert, the big acts will be paid to perform. The purpose of the event is to deglamorize drug and alcohol use by showing big-name rock stars who do not indulge. The **Pointer Sisters** and **Tot** have signed up and on March 3 it will be announced which other stars will participate. Global Media Inc., the organizer, hopes to hold the concert at the Rose Bowl, but neighbo have protested. Alternative sites are the L Angeles Memorial Coliseum and the Pontia



Barbara Sinatra presents a trophy to Charles and the polo team he played with in California.

of time before there is a "major Washington political scandal involving this new breed of access peddlers."

Millionaire Michael Deaver?

Since leaving the Reagan White House, **Michael Deaver** has been so successful in his public relations firm that Newsweek magazine is reporting that it is "almost certain" he has become a millionaire in the nine months since he left as deputy chief of staff. Deaver's quick success and his continued close association with **President** and **Nancy Reagan** have been the subject of previous press scrutiny.

In the current Newsweek article, titled "Cashing In on Reagan: A New Breed of Access Peddler Makes It Big," Deaver's new Georgetown-based firm is described as "one of the hottest start-up ventures this side of Silicon Valley." Cashing in on political contacts and friendships is not a new thing to Washington, but the article says about [illegible] former Reagan corporate sales and campaign officials [illegible] with White House access [illegible] according to one unidentified source in the article, could reach [illegible] that it [illegible]

End Notes

The various charity auction fundraisers around town try to outdo themselves each year by having a special item that will surely attract attention — for example, an antique automobile or a round trip to some exotic port. The Georgetown Preparatory School hasn't come up with that kind of glittery exotica. It is offering a 900-pound Black Angus steer, live or boxed. Now who could accept it boxed? If you brought it home to Georgetown or Potomac, it would make a trend-setting pet. Besides, red meat isn't good for you . . .

Royal Watch. **Prince Charles** left for home yesterday after resting up in the refined comforts of the Annenbergs' palatial Rancho Mirage, Calif., estate. After his whirlwind five days in Texas celebrating the state's 150th birthday, the traveling prince came to the home of former ambassador to the Court of St. James's **Walter Annenberg** and his wife **Leonore**. [illegible] Saturday, we [illegible] Frank Sinatra with **Barbara** [illegible] trophies. Charles [illegible] sadly "and my liver needs it even more so." Then he quickly added: "They have very good food in Texas." Nice catch, Charles. Those Texans don't take kindly to such aspersions on their cuisine . . .

Royal Watch, Pacific Theater: Meanwhile mom **Queen Elizabeth** and dad **Prince Philip** are in Auckland, New Zealand, where yesterday the queen was hit in the leg with an egg thrown by a young woman protesting her visit. Another young woman threw an egg that hit the royal car. The queen appeared visibly upset by the attacks. There is also the possibility the Royal Couple may face, so to speak, a traditional Maori insult called "whakapohane" a "21-bum salute," the baring of buttocks. If the whakapohane ever catches on here, it won't be safe for politicians to go out in public again.

Fiscal cutbacks are creating a new kind of social activist. Beginning March 9, the Library of Congress will be closed on Sundays and evening hours will be all but eliminated, making it truly a service available virtually to only Congress. Librarian of Congress **Daniel J. Boorstin** [illegible] Mitch Snyder [illegible]

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DATE	ACCOUNT	DESCRIPTION	AMOUNT
12/30/85		Reimbursement (Charge W. Timber/McFadden)	$79.93

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DECEMBER 19, 85

FRITZ H. GIESECKE 193.61

ONE HUNDRED NINETY-THREE AND 61/100 ----------

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Shirley J Rose

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DATE	ACCOUNT	DESCRIPTION	AMOUNT
12/19/85		Reimbursement due on trip of 12/1 - 12/7/85 (Charge Western Timber/McFadden)	$193.61

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SERVICES		$ 735.50
DISBURSEMENTS		
Telephone	5.12	
Messenger	6.50	
Photocopy	27.00	
Miscellany	1,782.76	
Taxis	55.50	
Postage	1.68	
TOTAL DISBURSEMENTS		1,878.56
TOTAL		$ 2,614.06

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1256

FOR LEGAL SERVICES RENDERED
from March 1, 1986 through March 31, 1986

SERVICES		$ 687.50
DISBURSEMENTS		
Telephone	7.08	
Miscellany	500.00	
Postage	0.44	
TOTAL DISBURSEMENTS		507.52
TOTAL DUE		$ 1,195.02

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requests made of local governments must be approved by the state if they exceed $1 million. The previous limit was $10 million.

□

Abortion activist's trial starts

The jury trial in Cass County Court for anti-abortion activist Darold Edward Larson got under way Thursday.

Larson, 42, 1126 4th Ave. S., Fargo, is charged with criminal trespass at the Fargo Women's Health Organization, where abortions are performed.

He is accused of entering the Women's Health Organization, 11 14th St. S., on Dec. 21, with the intent of harassing the clinic director and staff.

Fargo police say they arrested Larson after he had taken several steps through the front door of the health organization. Police also say he was dressed as Santa Claus and carried a sack of presents over his shoulder.

If convicted, Larson could face a maximum penalty of a year in jail, a $1,000 fine or both.

FARGO FORUM APR. 12, 1985

□

Dorgan to wed this weekend

Rep. Byron Dorgan, D-N.D., will be married Saturday, Chet Caiautti, an aide in Bismarck, N.D., [redacted] Dorgan was sent to Washington, D.C., Thursday and was not available to provide further information. An aide said Dorgan considers his marriage "a personal matter" and not of public note. It will be his third marriage.

Caiautti said Dorgan will marry Kim Olson of Washington, D.C., in a ceremony in Washington state, but that no other details were available.

Another aide said Dorgan has given his staff few details, adding, "No one on the staff really knows."

□

Man charged with robbery

Steven Wayne Kania, 23, who lists no current address, was charged in Cass County Court in Fargo Thursday with robbery.

He is accused of entering the Bryce L. Farnsworth residence at 114 15th St. S., Fargo, during the early-morning hours of Nov. 11 and threatening Farnsworth with a knife.

In other county court action, Jeffrey Thomas Kicko, 45, St. Paul, Minn., was charged with bail jumping. He is accused of failing to appear for a hearing in Cass County District Court in Fargo last August on two theft of property charges after he had been released on bail.

□

Scottish theologian to speak

Dr. Murdo Macdonald, professor of practical theology at the University of Glasgow



Union protest

Members of the Austin, Minn., Hor meatpacking union and members of t lies picketed outside First Bank Mi

Chem-Nucle

Rapid City, S.D. (AP)

A study released Thursday by a con wants to put a low-level nuclear wa near Edgemont shows the proposed sit minor chemical contamination but no ous enough to hamper development, co ficials said.

Officials of Chem-Nuclear Systems their preliminary study was made response to criticism leveled last wee nents of the firm's plans. Those oppo U.S. Army Corps of Engineers doct dicate that chemicals left in the groun military abandoned the former munit make the site too dangerous for use a waste disposal site.

But Paul Corpstein, Chem-Nuclea manager in South Dakota, said a s study completed in November shows n of any contamination that would workers' safety or pose a threat to the

"The data to date says the site is g stein told reporters who gathered to report prepared by the consulting fir Western-Sonderegger Inc.

S.D. regents support prob

APR. 12, 1985 BISMARCK TRIBUNE (ND)

APR 12

By DOUGLAS VAN ESSEN of the Tribune

...cer Lieal Harmon in tying a ...und while Lois Black ties up ... shoes. The ballet was brought ...rek by the Bismarck-Mandan ...ssociation.

...ose doors

... in Bismarck both expected this fall Other Mandan merchants have also expressed concern about possible loss of business as a result of those developments

The Mandan Penney's store has been operating on a month to month basis for the last four or five years The decision to close took a long time to make, Kraft said

Penney's district offices in Omaha, Neb., had no prepared statement about the store's closing, and no comment was immediately available from the district man...

Mandan's Penney's store was opened in 1920

...ter slide

...being looked at That slide would run 97 feet and would start 25 feet above the ground at Hillside

The initial cost of that slide might be more expensive than the bids indicated, Ripley said, because more support beams would be needed

But operating expenses would be less because the Ranger uses less water and, consequently, needs a smaller water pump

The apparent low bid of $173,998 was submitted by Basin Builders, followed closely by the John Larson Co., which bid $174,200 The highest bid, $178,400, was from Associated Pool Builders All bidders are from Bismarck

8:30 a.m. at the J... Correctional Center about 30 ... southwest of Chicago He and 147 other prisoners had been transported from the Cook County Jail, where Dotson spent the night

Dotson met immediately with prison Warden J.R. Fairman, and it was decided he would be taken to the prison hospital to talk with a psychologist or psychiatrist, said Nic Howell, a spokesman for the Illinois Corrections Department

"He is distraught," Howell said "It's a pretty emotional situation"

Webb said in an interview Friday that "I feel the court system did a great injustice to Gary Dotson by sending him back to prison"

She said "It wasn't just my testimony but the testimony of six other alibi witnesses to prove his innocence

to free Dotson However, Thompson said, "I don't think it would be appropriate for me to go outside the normal channels" on behalf of Dotson

David Fields, a spokesman for the governor, said any request for executive clemency must be filed with the state Prisoner Review Board

Circuit Judge Richard Samuels, saying he did not believe that Webb fabricated a 1979 rape charge, refused Thursday to free Dotson

Samuels ruled that Dotson "failed to sustain his burden of proof and I cannot find that perjury was committed

He's innocent' He's innocent' screamed Webb as she was led from the courthouse Thursday supported by her husband and

More on RAPE, Page 8A

Dorgan to tie knot for the third time

Rep Byron Dorgan plans to be married this weekend in Washington state, according to a district staff assistant, Lucy Calautti

Calautti said Dorgan, who has been married twice, will wed Kim Olson of Washington D.C. However Calautti said she was unaware of details

Washington aide Pat Carlseo confirmed the Democratic congressman's marriage plans and said Dorgan, 42, plans to be back in Washington by the middle of next week He said Dorgan has told staff members little about his impending marriage

Byron considers this a personal matter, Carlseo said

Calautti said she does not know Olson's occupation

It's just that Byron is very personal about his personal life she said "He doesn't consider this something of public note"

Carlseo said he did not know Olson's age, whether she had been married before or the specific location of the wedding

Dorgan, who has two children was elected to the U.S. House in 1980 and was re-elected last November in a one-sided contest over Lois Altenburg of Fargo



Dorgan is telling little about his marriage plans

A member of the House Ways and Means Commission, Dorgan was defeated in his first bid for a House seat in 1974 Dorgan is a native of Regent and has a bachelor's degree in business from the University of North Dakota and a master's degree from the University of Denver

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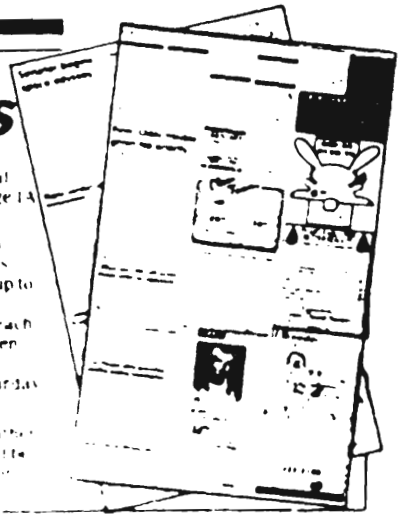
...her and obituary page ...ge 2A to the page ... page, making it possible ...s of record in the same ...will be the third to last ...every day (Page 8A

...ol page stories will ... read more on a front ...e back cover of the ...er's Hand page

The change will free Page 2A for national news which is sometimes crowded off Page 1A by local and state news

Page 2A will also be the location of a new category of advertising called Instant Ads Instant Ads for this page will be accepted up to 11 a.m. on the day of publication offering merchants and others the opportunity to reach customers much more quickly than has been possible in the past The deadline is 5 p.m. Friday for Saturday's paper and noon Saturday for the Sunday paper

To make room for the new obituary ... and Subs section, entertainment pages will be moved forward two pages in the first section



Page 1



Kimberly Olson: registered as 'foreign agent'

Dorgan's wife lobbying for Canadians

By STAN STELTER
Tribune Staff Writer

Kimberly Sue Olson, wife of North Dakota's Democratic Congressman Byron Dorgan, is a registered "foreign agent" representing the Canadian timber industry.

She lobbied extensively in the second half of 1985 against legislation designed to protect the American lumber industry from Canadian imports.

In a conversation with the Tribune last night, Dorgan said his wife's occupation represents no conflict of interest with his own job. He pointed out that she has a background in international trade, and that it is commonplace in Washington for the spouses of legislators to work as lobbyists.

Little has been known about Dorgan's third wife since their marriage last April. The wedding announcement made no mention of her occupation. In a story last December she was described as a lobbyist. But the congressman turned down one newspaper request for an interview in their home, citing his desire for privacy. And there have been no press conferences with Mrs. Dorgan.

Word of Mrs. Dorgan's role in the Canadian trade issue came to the Tribune in a package of photostats mailed from Seattle last week. The material bore no return address or signature. It purported to show that Mrs. Dorgan was embroiled in a series of questionable activities similar to those of former presidential assistant Michael Deaver, whose service to the Canadian government has been making headlines in Washington for weeks.

Contacted on a vacation trip to Washington state last night, Dorgan said the package was an obvious attempt to embarrass him politically. He said it had been sent to several other news organizations. He said the New York Times and the Washington Post had decided it wasn't newsworthy.

Governments documents in the package indicated that:

• Mrs. Dorgan, 27, was registered as a foreign agent representing APCO Associates, a

(More on DORGAN, Page 11A)

At Garrison

The people who keep the fish biting (1C)



Smart test

Find out if you can pass for a genius (1E)



Complete McQuade scores (1B)

THE BISMARCK TRIBUNE

Sunday, June 29, 1986 ☐ Vol. 113, No. 180 ☐ Bismarck/Mandan, N.D. ☐ Committed To Excellence

Newsstand price — $1.00
Home delivery — 29 cents

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JUL 7 1986

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Dorgan says he's proud of his professional wife

CONTINUED FROM PAGE 1A

consulting firm that is a subsidiary of the Washington, D.C., law firm of Arnold and Porter. In those forms, she used her maiden name of Kimberly Sue Olson.

• APCO drew fees of $342,056 from the Canadian council for the last six months of 1985, while paying out $67,062. The council, made up of lumber-related associations in Canada, primarily tries to work against U.S. restrictions on timber trade.

• APCO lobbied Congressman Dorgan on the timber issue through an aide at his office.

• Other foreign interests APCO represents include the Korean Traders Association, Canadian Meat Council and the Chilean National Copper Corp.

Mrs. Dorgan listed her job on the registration form as a "legislative associate." She said it included political activities on behalf of the Canadian council "relating to legislation and other actions of the (U.S. government) that might lead to restrictions on imports of softwood lumber, shakes and shingles and other forest products from Canada."

Specifically, that meant she used press releases, pamphlets and letters or telegrams in her work, disseminating — in the words of Department of Justice's Foreign Agent Registration form — "political propaganda" to public officials, legislators, government agencies, and others.

Part of APCO's job in that six month period involved making more than 130 contacts with various officials, including Dorgan's aide, Donna Feinberg, on Sept. 9.

"She's not, by any means, a high-rolling lobbyist.' — House committee aide

It's not clear whether Mrs. Dorgan contacted Feinberg herself. The congressman's wife wasn't available for comment, and Dorgan said he didn't know.

In the past two years, Congress has considered legislation protecting American lumber interests that claim Canadian companies are buying standing timber from provincial governments at unfairly subsidized prices.

At issue between the Canadian and U.S. interests is the lower "stumpage fee" — the amount the industry pays the government for standing timber — that Canada pays.

What's happened is that the Canadian share of the U.S. softwood market has grown from less than 20 percent in 1975 to about 31 percent this past year, amounting to $2.6 billion, according to The New York Times.

In her political efforts on that recent legislation, Mrs. Dorgan contacted Rufus Yerxa, an aide on the Ways and Means Committee's trade subcommittee.

That group was reviewing an Omnibus Trade Bill that, in effect, would define Canada's paying lower stumpage fees as a subsidy and therefore subject possibly to countervailing duties.

In that case, Yerxa told the Tribune, Mrs. Dorgan did the usual thing in producing statements and people for the council's position. Said Yerxa: "She's not, by any means, a high-rolling lobbyist."

He added: "She was not too effective." The trade subcommittee voted overwhelmingly to recommend passage of the trade bill, contrary to the Canadian interests.

That bill also got the OK from the Ways and Means Committee, with Dorgan voting for it (and against his wife). The bill has since passed the House and is pending before the Senate.

Is there a conflict with Mrs. Dorgan as lobbyist and Mr. Dorgan as a representative?

Dorgan says no.

"She has her career and I have mine and they are not in conflict."

His wife had been involved in international trade issues before he met her, he said. After they married he said he contacted the House Ethics Committee to ensure there would be no conflict.

Dorgan says they follow the formal ethics guidelines. She wouldn't take any assignment "that would be in conflict with what I felt were North Dakota's interests."

He's not felt any need to abstain from any recorded votes on the Ways and Means Committee, he said.

The anonymous package of materials that came to the Tribune last week also provided details on Mrs. Dorgans private life not previously shared with the congressman's constituents.

She was born Aug. 8, 1958, in Arlington, Wash. She attended Washington State University and was graduated in 1980 with a history degree.

Dorgan said she attended the London School of Economics and has a master's degree in international trade from George Washington University.

The congressman said his wife uses her maiden name like many other professionals who have their own careers.

He also offered to arrange for an interview with her.

His opinion of his wife's profession? "I'm proud of what she does. She's very well educated and skilled in international trade."

And as a lobbyist? "I don't know that I have any way to gauge that."

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Dorgan defends wife's lobbying activities

Bismarck Trib 6/30/86 Editorial Page

LETTER

Sometimes a story is written in such a way that it leads a reader to the wrong conclusion. That was true of The Tribune's story Sunday about my wife's employment.

Let me give you an example. The Tribune story would lead the reader to believe that 1) I serve on the Trade subcommittee in Congress, 2) my wife represents only Canadian interests on trade issues and, 3) my wife's activities influence my vote.

All of those are patently false. 1) I do not serve on the Trade subcommittee, 2) my wife does work for both United States companies and Canadian companies on a free trade initiative and, 3) the only vote I have cast on a trade bill I have cast in opposition to the position of my wife's clients.

So then why did The Tribune run the story? Because they received an anonymous folder of information with only selected pieces of information about my wife's employment arranged to make it appear improper. It's unfortunate that The Bismarck Tribune elected to print it.

Let me give your readers the full and correct information.

Kim is a senior legislative associate with APCO associates (a subsidiary of Arnold and Porter Law Firm in Washington, D.C.) Her educational and work background are in the field of international trade and that is the type of work she performs at APCO.

Kim's employer represents many U.S. companies and also international companies on trade issues. Because of this, the company Kim works for is required by law to register her as a foreign agent for purposes of working on trade issues on Capitol Hill. She has principally worked on trade issues affecting timber on behalf of a group of U.S. companies and also on behalf of some Canadian companies. There is nothing at all unusual or improper about her job or her registration by her firm to represent international clients.

Her job includes research, writing and organizing on trade issues for her clients in APCO. Less than one-fourth of her time is spent on Capitol Hill working on congressional matters.

My wife has worked in the trade field for five years. She was working on trade issues in Washington D.C. before I met her.

When we were married, we wanted to be certain there was no conflict between my service in Congress and her work on international trade. I asked the House Ethics Committee for their opinion and they responded by stating that my wife's activities do not constitute a conflict of interest.

The Tribune along with some other news organizations received the anonymous envelopes with selected information about Kim's employment arranged in a manner to make it appear improper. Other news organizations discarded it as unfair and not newsworthy, but unfortunately The Tribune chose to use it.

Having to defend one's self or one's family is often an occupational necessity in politics, but one normally doesn't have to do so in response to anonymous folders of only selected information carefully arranged to distort something.

The Tribune's treatment of that was both unfair and unfortunate.

Byron L. Dorgan
Member of Congress

THE BISMARCK TRIBUNE
Established in 1873
William N. Roesgen ..... Publisher
David M. Fuseller ..... Editor
Larry Johnson ..... Editorial Page Editor
Views of Tribune Editorial Board

Bist 6-30-86

Shouldn't we know who Representative's wife represents?

Somebody went to a lot of trouble to try to embarrass North Dakota's Democratic Rep. Byron Dorgan.

Included in a package of some 40 photocopied documents mailed to the Tribune last week were copies of the Congressman's marriage license from Snohomish, Wash., foreign agent registration forms filed with the Department of Justice and clippings from North Dakota and Washington newspapers.

The unsigned cover letter that came with the papers contended that Dorgan's wife's activities as a lobbyist for Canadian timber interests were even more "scandalous" than those of former Reagan presidential assistant Michael Deaver. Deaver, the letter noted, had left the White House before going to work for the Canadians, while Mrs. Dorgan's husband was still in office.

Dorgan won't say who he thinks put the package together. The U.S. lumber industry would obviously stand to gain from discrediting Canadian lobbying efforts. And the package was mailed from Mrs. Dorgan's home state of Washington.

But Dorgan's friends see a source closer to home; they think they detect the hand of at least one Republican party zealot in Bismarck.

Regardless of the source, the essential facts are not in dispute.

Is there a conflict of interest?

The congressman has not, apparently, allowed his wife's involvement to sway his own vote, and Sunday's story said he had not. But "influence peddling" in Washington is more subtle than that.

Suppose you were a congressman approached by the wife of another congressman in support of controversial legislation. If that other congressman sat on a committee considering legislation you supported, you might be inclined to give his wife's views a little more attention than you would the views of some other lobbyist.

Rep. Dorgan's clout in Washington is hardly in a class with that of Michael Deaver's old boss Ronald Reagan. But horse-trading is a time-honored tradition, and it certainly doesn't hurt Mrs. Dorgan's effectiveness to be known as the wife of a member of the Ways and Means Committee.

Dorgan insists he has not tried to conceal his wife's career; neither has he gone out of his way to publicize it. He says he would have been happy to have reporters interview her. But he was incensed at the Tribune's decision to write about her work Saturday, and refused to put her on the phone.

The congressman notes that his wife represents other interests besides the Canadians (as the Tribune story reported) and that the organization for which she registered as a "foreign agent" also includes shippers and other U.S. companies which support free trade.

He says the Tribune falsely implied that he was a member of the Ways and Means Committee's subcommittee on trade; the Tribune did nothing of the sort.

Dorgan points out correctly that lobbying activities by congressional spouses of both sexes commonplace.

But the fact that everybody does it do necessarily make it right.

It is to 27-year-old Kim Olson's cred achieved her influential position be came Mrs. Byron Dorgan. And credentials are impressive.

We would not expect her to to satisfy a standard of pol achieved in Washington.

But we do believe that right to know what int the wife of their only ton.

Until Sunday, th

Dorgan says lobbying by wife not improper

Associated Press

BISMARCK — The wife of Rep. Byron Dorgan, D-N.D., is registered to lobby as a foreign agent, representing timber interests in Canada and the United States, the couple said.

Kimberly Sue Olson, as a consultant for APCO Associates, a Washington consulting firm, lobbied extensively in 1985 against legislation designed to protect the American lumber industry from Canadian imports, The Bismarck Tribune reported Sunday.

The newspaper said an anonymous sender mailed a packet from Seattle that contained government documents detailing Kimberly Dorgan's work for APCO and activities of the firm, a subsidiary of the law firm Arnold and Porter.

Byron Dorgan said the story tried to make his wife's work appear improper. She has worked on international trade issues for five years, he said.

"The main thing was my wife was doing this kind of work before I married her," he said Sunday. "There's nothing improper about it at all."

The couple married in April 1985, and Kimberly Dorgan, 27, retains her maiden name on the job, she said.

It was Byron Dorgan's third marriage.

APCO is required by law to register some employees as foreign agents, Dorgan said.

APCO represents Canadian lumber interests that want to limit U.S. restrictions on timber trade, The Tribune said.

In a telephone interview Sunday, Kimberly Dorgan said she devoted fewer than five hours a week to lobbying on Capitol Hill. Much of her time is spent developing governmental affairs strategies for clients, analyzing trade policy proposals and trying to decide how and if legislation would affect clients, she said.

APCO represents both foreign and domestic concerns, she said, adding that she works largely on timber-related issues.

Documents cited by the newspaper said APCO contacted dozens of officials to lobby against trade restrictions during the last half of 1985, including Dorgan's aide, Donna Feinberg.

Kimberly Dorgan said she could not remember whether she or one of three colleagues who also work on trade issues contacted her husband's office on the matter.

"I simply don't recall," she said. "As a general policy, I don't have any contact with Byron's office."

The couple is very conscious of avoiding the appearance of conflict of interest, she said.

"I don't work on issues that will conflict with his position or with the interests of North Dakota," she said.

The anonymous packet The Tribune received was sent to other news organizations, which declined to use it, Byron Dorgan said.

"The packet was obviously sent by someone trying to make a political statement," he said.

He said his wife's work presented no conflict of interest.

"She has her career and I have mine, and they are not in conflict," he told the newspaper. After they married, he contacted the House Ethics Committee to ensure there would be no conflict, he said.

Byron Dorgan has not felt he had to abstain from any recorded votes as a member of the Ways and Means Committee, he said.

In lobbying against the Omnibus Trade Bill that passed the House, Kimberly Dorgan produced the usual statements and people to back up Canadian timber industry views, according to a congressional aide quoted by The Tribune.

The subcommittee recommended passage of the bill, which also won the approval of the full committee, the newspaper said.

Dorgan voted for the trade bill, The Tribune said.

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Region

• Dorgan's wife lobbies for Canada

Bismarck, N.D. (AP)

The wife of Rep. Byron Dorgan, D-N.D., is registered to lobby as a foreign agent, representing timber interests in Canada and the United States, the couple said.

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It was Dorgan's third marriage.

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APCO represents Canadian lumber interests which want to limit U.S. restrictions on timber trade, The Tribune said. Among its other foreign interests are the Canadian Meat Council, Korean Traders Association and the Chilean National Copper Corp., according to the paper.

In a telephone interview Sunday, Kimberly Sue Dorgan said she devoted fewer than 5 hours a week to lobbying on Capitol Hill. Much of her time is spent developing governmental affairs strategies for clients, analyzing trade policy proposals and trying to decide how and if legislation would affect clients, she said.

APCO represents both foreign and domestic concerns, she said, adding that she works largely on timber-related issues.

The firm is "very active on the free-trade stance," she said.

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Kimberly Sue Olson talked to the Associated Press about her work in Washington following a Sunday story in the Tribune reporting she was registered to lobby as a foreign agent, representing timber interests in Canada and the United States.

While Rep. Dorgan responded at length in the Tribune story, he would not allow a reporter to speak to his wife.

Olson, 27, is a consultant for APCO Associates, a Washington, D.C., consulting firm. She retains her maiden name on the job.

The firm lobbied extensively in 1985 against legislation designed to protect the American lumber industry from Canadian imports. She was a lobbyist at the time she and Dorgan were married in April 1985.

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Opinion

Turtle Mt. Star - Rolla p.4

7-7-86

Congressman Perfect's predicament

• Thumbing his nose.

North Dakota voters should be incensed at the callous attitude displayed the Congressman Byron Dorgan when someone finally discovered that his new wife is a registered lobbyist representing foreign interests in the U.S. Congress.

Dorgan's wife, Kimberly Sue Olson, who uses her maiden name while lobbying, works for APCO Associates, a Washington firm employed by several foreign agencies, including the Canadian lumber industry, Canadian Meat Council, a Korean trade association and National Copper Corporation of Chili.

Ms. Olson says she avoids contact with her husband's office. Dorgan says his wife's lobbying presents no conflict-of-interest.. "She has her career and I have mine and they are not in conflict," he said.

The situation, however, clearly leaves a huge credibility gap when it comes to possible conflicts-of-interest. We can only assume that Dorgan considers himself to be beyond reproach with the voters of North Dakota.. And we suspect he's right. We can't imagine that this situation, or his attitude towards its revelation to the public, will have any negative effect on the vote which Byron Perfect will receive in November.

Interestingly, Dorgan also said the information on his wife's job as a lobbyist was sent anonymously to The Bismarck Tribune (which released the information in North Dakota) as well as to several other news organizations which he said declined to use it. "The packet was obviously sent by someone trying to make a political statement," Dorgan said.

And they were right. Even though Dorgan claims it's common for spouses of congressmen to be lobbyists, it's a lousy idea.

Political statements of this sort we need more of.

Fargo (ND) Forum

A4 Wednesday, July 2, 1986

Forum editorial

Spouse as lobbyist poor idea

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The measure is not likely to pass the Republican-controlled Senate.

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After they married, he contacted the House Ethics Committee to ensure there would be no conflict, he said. Dorgan said he has not had to abstain from any recorded votes because of his wife's occupation.

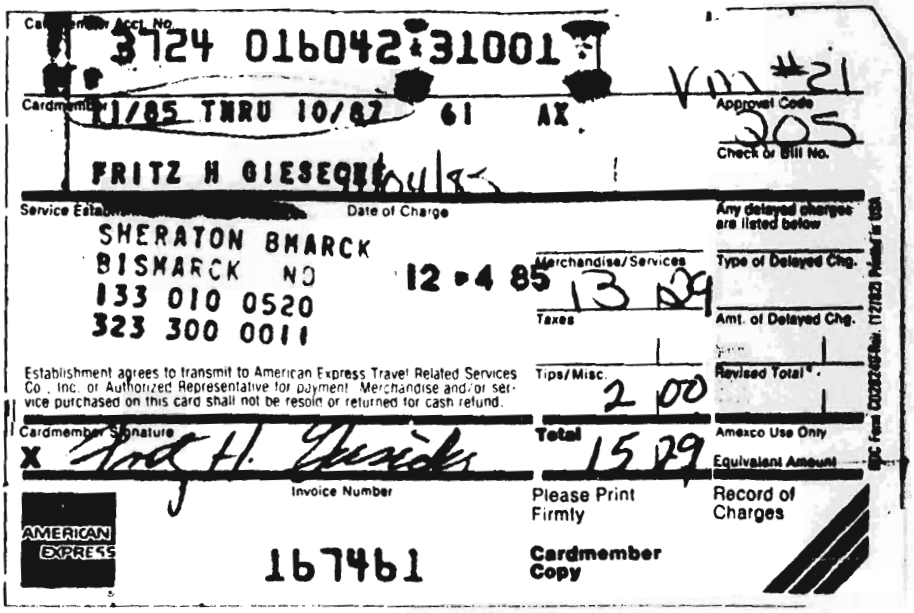
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Dorgan says it is commonplace for spouses of legislators to be lobbyists. We don't think that is a good situation.

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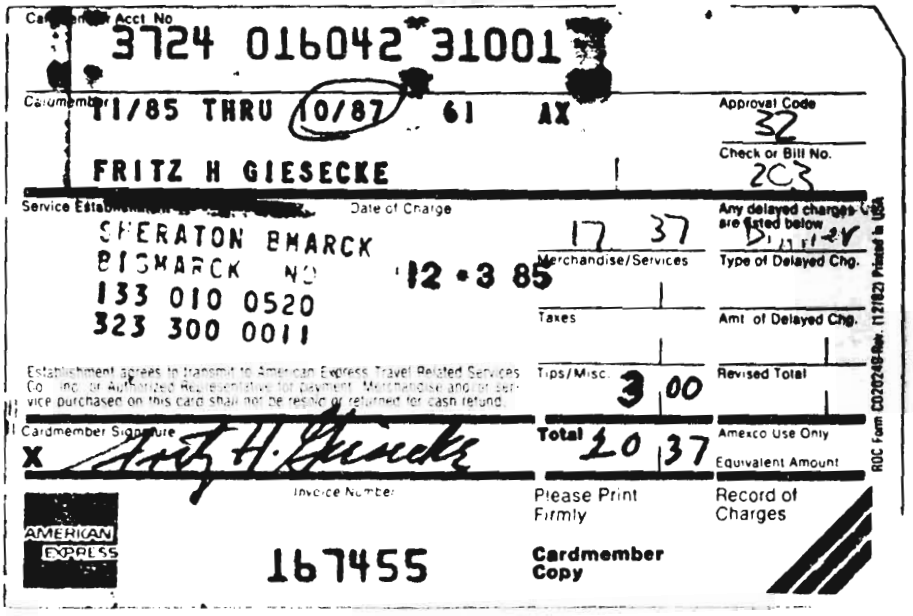
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12/23	LONG DISTANCE	61283887827	3.62		
12/22	LOCAL CALLS	Local calls	2.42		
12/21	ROOM	RM 527	64.22		
12/23	TAX	TAX 527	3.64		
12/24	LOCAL CALLS	6 local calls	2.82		
12/24	ROOM	RM 527	64.22		
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Bismarck Tribune 7/1/86

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MPLS/ST PAUL	RC	227	C	3DEC	1215P	OK	C	1YEAR
BISMARCK N.D.	WA	479	F	3DEC	240P	OK	F	1YEAR
SALT LAKE CITY UT	WA	49	F	3DEC	515P	OK	F	1YEAR
PORTLAND OR								

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FORM OF PAYMENT

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NO. OF EXCHANGE INVOLVED

FORM 7769 SERIAL 365 741

NORTHWEST AIRLINES, INC. -012
TRANSPORTATION CREDIT

DUPLICATE–PASSENGER COPY

PLACE AND DATE OF ISSUE

19 DEC 19
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BISMARCK
19 ND 19

AGENT 53

	COUPON NUMBERS & DATE SOLD	UNUSED TRANSPORTATION AND PASSENGER'S NAME	FOR ACCOUNTING USE ONLY: AMOUNT CREDITED	CURRENCY OF VALUATION
FORM 1469	CPN NBR(S)	FROM FOX	FARE	
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NAME OF CR. CARD CO. (OR CODE)
IMPRINT/WRITE COMPLETE CR. CARD INFORMATION.
SHOW FORM/PAYMENT IF OTHER THAN CR. CARD.

MR. F. GIESECKE
5708 QUIET BROOKE RD.
FAIRFAX, VA
22030

* IF ATP CARD INFO IS COPIED, COPY FIRST THREE LINES OF CARD ONLY

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PASSENGER COUPON

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X FROM PORTLAND	NW	087	F	07DEC	705A	OK	F			
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FORM OF PAYMENT NW REISSUE RV40 ATTACHED

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obtained from

5 Dec 85 Portland

BISMARCK TRIBUNE
Established in 1873
William N. Roesgen ..... Publisher
David M. Fuselier ..... Editor
Larry Johnson ..... Editorial Page Editor

Views of Tribune Editorial Board 6/30/86

Shouldn't we know who Representative's wife represents?

Somebody went to a lot of trouble to try to embarrass North Dakota's Democratic Rep. Byron Dorgan.

Included in a package of some 40 photocopied documents mailed to the Tribune last week were copies of the Congressman's marriage license from Snohomish, Wash., foreign agent registration forms filed with the Department of Justice and clippings from North Dakota and Washington newspapers.

The unsigned cover letter that came with the papers contended that Dorgan's wife's activities as a lobbyist for Canadian timber interests were even more "scandalous" than those of former Reagan presidential assistant Michael Deaver. Deaver, the letter noted, had left the White House before going to work for the Canadians, while Mrs. Dorgan's husband was still in office.

Dorgan won't say who he thinks put the package together. The U.S. lumber industry would obviously stand to gain from discrediting Canadian lobbying efforts. And the package was mailed from Mrs. Dorgan's home state of Washington.

But Dorgan's friends see a source closer to home; they think they detect the hand of at least one Republican party zealot in Bismarck.

Regardless of the source, the essential facts are not in dispute.

Is there a conflict of interest?

The congressman has not, apparently, allowed his wife's involvement to sway his own vote, and Sunday's story said he had not. But "influence peddling" in Washington is more subtle than that.

Suppose you were a congressman approached by the wife of another congressman in support of controversial legislation. If that other congressman sat on a committee considering legislation you supported, you might be inclined to give his wife's views a little more attention than you would the views of some other lobbyist.

Rep. Dorgan's clout in Washington is hardly in a class with that of Michael Deaver's old boss Ronald Reagan. But horse-trading is a time-honored tradition, and it certainly doesn't hurt Mrs. Dorgan's effectiveness to be known as the wife of a member of the Ways and Means

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Dorgan insists he has not tried to conceal his wife's career; neither has he gone out of his way to publicize it. He says he would have been happy to have reporters interview her. But he was incensed at the Tribune's decision to write about her work Saturday, and refused to put her on the phone.

The congressman notes that his wife represents other interests besides the Canadians (as the Tribune story reported) and that the organization for which she registered as a "foreign agent" also includes shippers and other U.S. companies which support free trade.

He says the Tribune falsely implied that he was a member of the Ways and Means Committee's subcommittee on trade; the Tribune did nothing of the sort.

Dorgan points out correctly that lobbying activities by congressional spouses of both sexes is commonplace.

But the fact that everybody does it does not necessarily make it right.

It is to 27-year-old Kim Olson's credit that she achieved her influential position before she became Mrs. Byron Dorgan. And her academic credentials are impressive.

We would not expect her to give up her career to satisfy a standard of political purity seldom achieved in Washington.

But we do believe that North Dakotans have a right to know what interests are represented by the wife of their only Representative in Washington.

Until Sunday, they did not.

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One Democratic Congressman goes Deaver one better. He has his wife involved in lobbying before he leaves office.

North Dakota Congressman Byron L. Dorgan's wife has been a part of an organized effort to lobby Congressmen, Senators and their staffs in Washington on behalf of the Canadian timber industry to defeat U.S. legislative proposals designed to protect the American lumber industry against Canadian lumber imports.

Dorgan's wife, 27, who used her maiden name of Kimberly Sue Olson in official registrations, is registered with the Department of Justice as a foreign agent under the Foreign Agents Registration Act and has been married to Congressman Dorgan since April 13, 1985. Ms. Olson used her maiden name in registering with the Justice Department as a "legislative associate" employed by the Washington lobbying firm of APCO ASSOCIATES, the lobbying subsidiary of the Arnold and Porter law firm, according to foreign agent registration statements on file with the Justice Department.

In her initial registration with the Justice Department in June, 1985, Ms. Olson stated that she would be performing all necessary functions as a legislative associate "for the Canadian Forest Industries Council project only". Her registration statement discloses The Korean Traders Association as another foreign principal of APCO ASSOCIATES. In a subsequent required filing with the Justice Department on December 20, 1985, Ms. Olson's registration discloses additional Canadian and other foreign principals which APCO ASSOCIATES represent, including the Canadian Meat Council, the Saskatchewan Mining Development Corporation and the Chilean National Copper Corporation.

APCO ASSOCIATES and Ms. Olson's filings with the Justice Department indicate extensive lobbying of Congressmen, Senators and members of their staffs throughout the Fall of 1985 to prevent passage of pending legislation restricting Canadian lumber imports.

For the past several years the American lumber industry has claimed serious injury by Canadian firms' selling of Canadian lumber in U.S. markets at prices with which American sawmills are unable to compete. Several pending Congressional bills to restrict Canadian lumber imports have received increasing support in Congress. The Administration has, however, resisted

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protectionist measures against Canadian lumber imports and has attempted to solve the problem by agreements with Canada within the context of a broader agreement with Canada on trade matters. The Canadian share of the U.S. softwood lumber market has grown to more than 30% in 1985. U.S. lumber interests claim Canada is able to undersell American producers in the U.S. market because Canadian provincial governments provide trees to Canadian mills at little or no cost through subsidy and related programs.

Statements filed with the Justice Department by APCO ASSOCIATES and Olson indicate that between July and December, 1985, more than 134 discussions were held with Senators, Congressmen, their aides, and Administration officials by APCO ASSOCIATES and Olson lobbying for the Canadian Forest Industries Council.

At the time of his marriage to Olson in April, 1985, Dorgan, 44 this May, refused to discuss the marriage, his third, following two divorces, with North Dakota newspaper representatives. He was quoted in the Grand Forks "FORUM" of June 2, 1985, as saying, "Things get out and people read them in the newspapers. That's unavoidable. But I don't think my personal life has anything to do with my job as a Representative". Dorgan's secrecy regarding his marriage to Olson was also the subject at that time of editorial comment in the North Dakota press.

Kimberly Sue Olson was born on August 8, 1958 in Arlington, Washington State. She attended Washington State University and was graduated in 1980 with a degree in History. She was employed by the NIKE Shoe Company in Portland, Oregon, before joining APCO ASSOCIATES in Washington, D.C.

Dorgan, a Democrat, is serving his third term as North Dakota's sole representative in Congress, having been first elected in 1980. He has announced that he will run for re-election in 1986. He was North Dakota Tax Commissioner from 1969-1980. His successor, Kent Conrad, often described as his protege, is running for the U.S. Senate this year.

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Attached are the following Exhibits:

"A" -- New York Times, August 12, 1985, news clipping describing the Canadian-U.S. wood export problem in the light of the then-imminent session of Congress.

"B" -- Copy of Extracts from APCO ASSOCIATES file at Department of Justice, Foreign Agent Registration Unit, showing APCO ASSOCIATES' Congressional lobbying activity on behalf of Canadian timber during Fall, 1985.

"C" -- Copies of newspaper clippings showing political sensitivity of Congressman's secrecy about his wife.

"D" -- Copy of Marriage Certificate for present marriage of Congressman.

"E" -- Instructions on retrieving file on APCO ASSOCIATES from Deparment of Justice, Foreign Agent Registration Unit.

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…ms soured British investors on …ntire industry, sending the …cial Times index of electronics … plunging from a high of …35 on Jan. 9 to 1,260.70 early last …h. Prices have recovered to …6, but investors remain wary. … represents a pretty fundamen… …ange of perspective on the part …vestors," said Laurence Hey…, who follows the industry for …rt Fleming & Company, the …hant bank that runs an over-the…er market in electronics shares. …y are realizing that the kind of …ability they had been seeing …ot have been the best indicator …g-term health."

… psychological impact of the in…y's problems has shown up in … price declines for companies … expansion has lived up to ex…tions, such as Ferranti P.L.C., …n sectors that remain relatively …ny, such as software. At the … time, new companies seeking …ng by share offerings on Brit… Unlisted Securities Market are …g to adjust their expectations …ward.

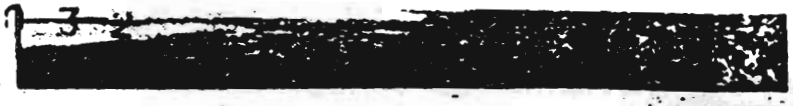
Ousted at Thorn

… most spectacular loss of confi… struck Thorn EMI, whose … of directors last month ousted …hairman and chief executive, … Laister, just 15 months after he …een given the job. Mr. Laister's …y received proposal in May 1984 …rge Thorn, which is heavily in…d in consumer electronics and …tainment, with British Aero… P.L.C., Europe's leading indo… …nt manufacturer of aircraft, …lites and missiles, was partly …ed for his problems.

…rse in the eyes of investors, …h, was Thorn's subsequent ac…tion from the Government of … P.L.C., a start-up semiconduc… …ics companies have facilities, retains its buoyant long-term outlook, though. Recently, the Digital Equipment Corporation said that it would build a $110 million microchip manufacturing plant just west of Edinburgh to supply semiconductors to its British operations and other Digital factories around the world.

… attempts to develop overseas markets and new products.

The costs and risks in such moves have contributed to the City's unease. One reason for the heightened sensitivity is the feeling in the City that the industry has no option but to take even bigger strategic gambles.



Associated Press

A logging truck in British Columbia. When Congress returns to Washington after its summer recess, it will consider several pieces of legislation to limit shipments of lumber from Canada to the United States.

U.S.-Canada Rift Over Lumber Exports

Continued From First Business Page

…tion of natural resources at "less than fair market value."

The White House is fighting against lumber protectionism, largely because of its commitment to free trade. But both Congressmen and nervous Canadian Government officials say they count enough votes to override a Presidential veto.

In light of that, American Government officials are working strenuously to reach a compromise. United States officials suggest it might involve easing Canadian restrictions on the export of raw logs, opening the tight Canadian market to American plywood, and a plan to work jointly to expand third-country markets. The hope is that these measures would forestall more drastic action.

Meanwhile, the United States International Trade Commission is conducting a fact-finding investigation of the issues.

In essence, the dispute between Canada and the United States, which has many facets, comes down to "stumpage" — the term for the fee that industry pays the government for standing timber.

One key difference is that in Canada nearly 95 percent of the timberland is owned by provincial governments, while in the United States 70 percent is in private hands.

For publicly owned timber in the national forests of the United States, companies must bid competitively for stumpage. Prices paid at the time of auction can turn out to be unprofitably high if prices for the finished lumber later drop.

In British Columbia, which produces 65 percent of Canada's softwood lumber, and in other provinces, the provincial government sets stumpage fees administratively. First, the provincial government estimates lumber prices and figures roughly how much lumber it wants to produce. From the estimated price, it subtracts capital and operating cost, plus a guaranteed 12 percent profit. What is left becomes the stumpage fee.

Americans charge that, in some cases, Canadian stumpage fees could be as low as zero, if the other costs were high enough. By contrast, American companies must regard stumpage as their first fixed cost.

Special Circumstances Cited

The effect of the two systems is that Canadian companies often pay lower stumpage fees than their American counterparts. But since timber operations here are often located deep in the mountains, requiring long river transportation, the Canadians say the cost of delivered logs is virtually equal.

The industry in the United States does not accept that argument. "They are either very inefficient logging operations, or they're fudging the numbers," said William Lange, manager of resource planning for the Washington-based National Forest Products Administration.

"I find that allegation absolutely offensive," T. M. Apsey, president of the Council of Forest Industries of British Columbia, responded. The costs of operation on the mountainous coast are clearly higher, he says, and the American industry acknowledges that point. But in the interior of British Columbia, where new mills churn up so many trees that they are called "spaghetti factories," the Americans say costs are much less.

The evidence of the disparity in costs, American lumber executives contend, is that last year's rebound in housing starts did not result in a sharp upturn for the depressed American lumber industry. In recent years, the industry has written off some $500 million in assets, and about 250 American sawmills have closed.

The Housing Statistics

But the Canadians point out that even though overall housing starts last year in the United States nearly equalled the 1980 high of 2 million, construction of single-family dwellings declined by 320,000 units. Single-family houses, the Canadians say, use about three times the lumber of a unit in a multiple dwelling. They also say that high demand for pulp and paper in recent years has spurred production of wood chips, an important by-product of sawmills. This has meant more lumber has been produced than justified by the market.

Spokesmen for the American industry also point to sawmill utilization as a key variable. Mills in the United States have been operating at 70 to 80 percent of capacity, while Canada's have been running at more than 90 percent.

Canadians, on the other hand, point out that from 1978 to 1984, employment in their lumber industry fell by more than 18 percent, compared with about 14 percent in the United States.

The Canadian portion of the United States softwood lumber market has steadily grown from 19 percent a decade ago to 28 percent in 1978 and to 31 percent last year, some $2.6 billion worth. Preliminary industry figures suggest a further jump to 35 percent in the first six months of this year.

For Canada, the stakes are huge. Trees generate about $15 billion in revenue a year — more than metals, food and agriculture, fisheries and the automotive industries combined.

While there are many aspects of the lumber business in dispute between the two countries, the focus is on softwood lumber.

Large Softwood Exports

Canada is the largest exporter of softwood lumber, supplying 45 percent of the world trade. Its production grew to 20.6 billion board feet last year, from 10.9 billion in 1975. During the same period, American production grew to 31.3 billion, from 25.7 billion, but the United States exports considerably less than the Canadians.

American lumber executives say they will not be satisfied until Canada cuts its share of the American market to a fifth or less, from the present one-third.

To Mr. Apsey of the Forest Industries Council here, it all seems a trifle bemusing. He remembers being part of a Canadian delegation to Washington in 1972 that was pressed to increase lumber production, as well as exports.

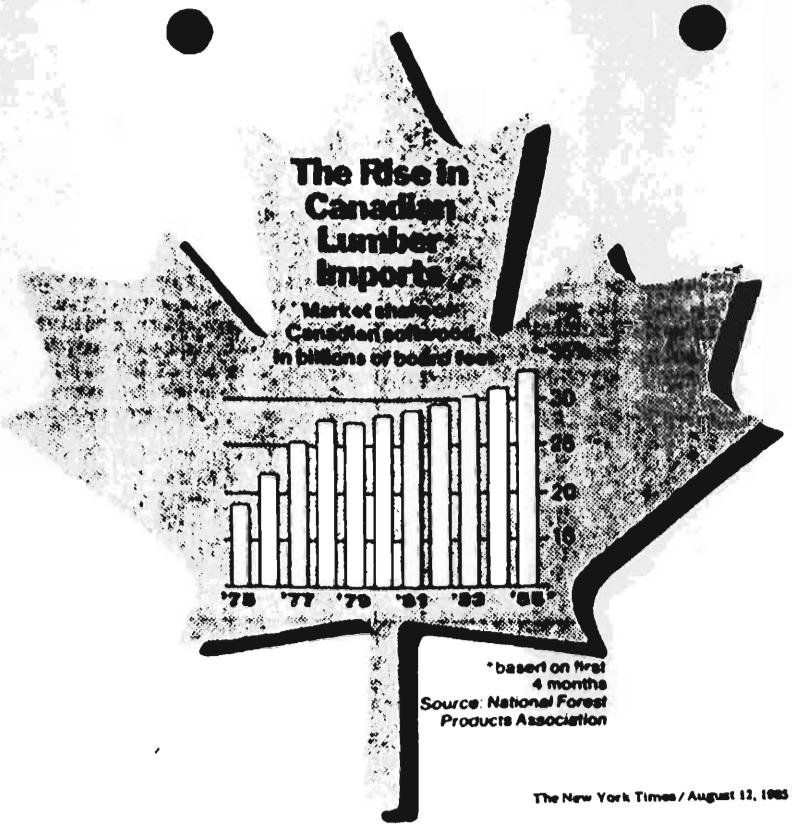
"The world was demanding our lumber, especially the United States," he said.

AN BE SPECIAL...



Spain's New Team Backs Austerity

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The New York Times / August 12, 1985

U.S.-Canadian Rift On Wood Exports

By DOUGLAS MARTIN

Special to The New York Times

VANCOUVER, British Columbia — A serious confrontation over Canada's growing lumber exports to the United States appears to be looming, with a flurry of legislation before Congress to limit shipments through duties or quotas.

The main issue is contentions by members of Congress and the American lumber industry that Canadian companies are buying standing timber from provincial governments at unfairly subsidized prices.

"In effect, the provinces give the timber to the manufacturers there," said Stanley S. Dennison, executive vice president of the Georgia-Pacific Corporation, perhaps the largest importer and marketer of Canadian lumber.

Canadians counter that their log prices are no lower than American ones in comparable areas and point to an extensive Commerce Department investigation in 1982 that concluded there were no "significant subsidies."

"It's very difficult for the provincial government to stop giving subsidies, if there is no subsidy," a Canadian Government official snapped.

But Trent Lott, Republican of Mississippi, the House Minority Whip, said, "Canada has to understand that there's a freight train coming down the track on this issue, and there's no brakeman."

The issue has clouded the world's biggest bilateral trade relationship, which President Reagan and Prime Minister Brian Mulroney pledged to try to enhance during their March summit meeting. Trade between the two nations last year surpassed $118 billion, double that between the United States and Japan.

Clayton K. Yeutter, the United States Trade Representative, said during his confirmation hearing recently that the United States and Canada cannot seal a free-trade deal until the lumber issue is resolved.

When Congress returns from summer recess, it will face a half-dozen bills to restrict Canadian lumber. The bill with the widest support, sponsored by some 70 Congressmen, was submitted by Representative Sam Gibbons, Democrat of Florida, chairman of the trade subcommittee of the House Ways and Means Committee. It calls for a change in the laws governing countervailing duties to punish governments that allow the extrac-

Continued on Page D6

Quarterly

By RICHARD W. STEVEN

Weak economic growth led t
luster corporate earning
ond quarter, with the
overwhelmed by depress
a wide range of industri
"The profits picture
pointing but not unexpect
slow economy in genera
half of the year," said
Gough, an economist a
sources Inc., the economic con
firm. The nation's economy g
only a 1 percent annual rate
first six months of 1985 and a

Brazil Ma Delay Pa With I.M

By ALAN RIDING

Special to The New York Times

RIO DE JANEIRO, Aug.
Rather than accept an austere
gram that could slow the co
economic recovery, Brazil'
Government now appears to
postponing, until 1986, the con
of a credit agreement with th
national Monetary Fund.

A planned rescheduling of $
lion in commercial debt matu
tween 1985 and 1991 may also
layed, since foreign banks h
sisted on fund approval of
stabilization program befor
pleting their stalled negotiat

After meeting President J
ney in Brasília last week,
Reed, chairman of Citicorp, s
"it has been our philosophy t
the guidance of the I.M.F
added that "the President c
to us his feeling that Braz
time to restructure its econo

If formalized, the Brazilia
would confirm recent signs t
pansionist" economists in th
ning Ministry who believe
should pay less heed to I.M
mands are winning an emi
ingly public battle against m
thodox" monetarists in the
Ministry.

'Studying the Idea'

"We're studying the idea,'
nance Minister, Francisco D
said last week. "There
schools of thought here. One l
an immediate agreement, t
wants to break with the Fu

In recent public statement
dent Sarney has echoed the

Continued on Page D2

U.S. Department of Justice
Washington, D.C. 2053[illegible]

OMB No. 1105-0011
Approval Expires Oct. 31, 1986

Short-Form Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

Each partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related or similar capacity.

1. Name Kimberly Sue Olson	Registration No. 3597
2. Residence Address 225 1/2 C Street, N.E. Washington, D.C. 20002	3. Business Address 1200 New Hampshire Avenue, N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958; Arlington, Washington Present Citizenship United States	5. If present citizenship was not acquired by birth, indicate when, where, and how acquired.

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file this statement?

Name APCO Associates Address 1200 New Hampshire Avenue, N.W. Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association
[SEE ATTACHMENT A for additional names.]

9. Indicate your connection with the individual or organization named in Item 7:

☐ partner	☐ director	☒ employee
☐ officer	☐ associate	☐ agent

☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If you are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be used.)*

As Legislative Associate, I will perform all necessary functions in that capacity.

RECEIVED
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INTERNAL SECURITY
SECTION
REGISTRATION UNIT

Do any of the above described services include political activity as defined in the footnote below?
☒ Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined in the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
☒ full time basis ☐ part time basis ☐ special basis

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____
☐ Fee: Amount $ _____ ☐ Other thing of value _____

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount

I receive a regular salary plus out-of-pocket expenses.

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with an election to political office or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

12/19/85
Date of Signature

Kimberly Olson
Signature

Subscribed and sworn to before me at Washington, D.C.
this 19 day of Dec, 19 85.

Patricia V. Bacas
Signature of notary or other officer

My commission expires Jan 31, 19 90.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/My salary is paid on an annual basis in semi-monthly installments without regard to time spent on particular matters.

9900407 3203

ATTACHMENT A

Amok, Ltd.

Eldorado Resources Limited

Uranerz Exploration and Mining Limited

Canadian Meat Council

Profilo Holding A.S.

Saskatchewan Mining Development Corporation

Corporacion Nacional del Cobre de Chile (Codelco)

8904073 20036

RECEIVED
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DEC 20 11 05 AM '85
INTERNAL SECURITY
SECTION
REGISTRATION UNIT

U.S. Department of Justice
Washington, DC 20530

Exhibit B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Oct. 31, 1983

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	3597

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

(See answer to Number 4, below.)

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

The fee for such services is to be determined periodically based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1] Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant may engage in political activities on behalf of the foreign principal. The Registrant's activities may, on occasion, include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with members of the U.S. Senate and House of Representatives and their staffs relating to legislation and actions of the Executive Branch and government agencies that may affect or relate to the foreign principal.

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INTERNAL SECURITY
SECTION
REGISTRATION UNIT

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Date of Exhibit B	Name and Title	Signature
February 6, 1986	Margery Kraus, Executive Vice President	MKraus

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

U.S. Department of Justice
Washington, DC 20530

Supplemental Statement
Pursuant to Section 2 of the Foreign Agents Registration Act of 1938, as amended.

OMB No. 1105-0002
Approval Expires Oct. 31, 1986

DEC 20

For Six Month Period Ending _____
(Insert date)

Name of Registrant APCO Associates **Registration No.** 3597

Business Address of Registrant 1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

I—REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual: N/A

(1) Residence address	Yes ☐	No ☐
(2) Citizenship	Yes ☐	No ☐
(3) Occupation	Yes ☐	No ☐

(b) If an organization:

(1) Name	Yes ☐	No ☒
(2) Ownership or control	Yes ☐	No ☒
(3) Branch offices	Yes ☐	No ☒

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SECTION
REGISTRATION UNIT

2. Explain fully all changes, if any, indicated in item 1. N/A

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IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	*Position*	*Date Connection Ended*
N/A		

4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?
Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Residence Address*	*Citizenship*	*Position*	*Date Assumed*

5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal?
Yes ☐ No ☐ N/A

If yes, identify each such person and describe his services.

6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Position or connection*	*Date terminated*

7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity? Yes ☒ No ☐

If yes, furnish the following information:

Name	*Residence Address*	*Position or connection*	*Date connection began*
David Parkhurst	4509 Everett St Kensington, MD 20895	Researcher	September 1, 1985
Anita Epstein	409 Greenbrier Drive Silver Spring, MD 20910	Senior Legislative Associate	September 1, 1985

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II—FOREIGN PRINCIPAL

8. Has your connection with any foreign prinicpal ended during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name of foreign principal — *Date of Termination*

9. Have you acquired any new foreign principal[1] during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information: N/A

Name and address of foreign principal — *Date acquired*

10. In addition to those named in Items 8 and 9, if any, list the foreign principals[1] whom you continued to represent during the 6 month reporting period.

Korean Traders Assoc.
World Trade Center, Korea Bldg.
C.P.O. Box 1117
Seoul, Korea

Canadian Forest Industries Council
85 Albert Street
Ottawa, Ontario
Canada K1P 6A4

III—ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes XX No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

See Attachment A

[1] The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity[2] as defined below?
Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

See Attachment B

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully. N/A

[2]The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign polic[illegible] the United States or with reference to the political or public interests, policies, or relations of a governmen[illegible] foreign country or a foreign political party.

IV—FINANCIAL INFORMATION

14. (a) **RECEIPTS—MONIES**

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.[3]

Date		*From Whom*	*Purpose*	*Amount*
6-31-85	A&P	(Korean Traders)	Fees	3,342.50
6-31-85	A&P	(Korean Traders)	Disbursements	299.31
11-4-85	A&P	(Korean Traders)	Fees	121.25
11-4-85	A&P	(Korean Traders)	Disbursements	30.00
12-2-85	A&P	(Korean Traders)	Fees	205.00
7-31-85	A&P	(Canadian Forest Industries)	Fees	28,170.00
7-31-85	A&P	(Canadian Forest Industries)	Disbursements	906.25
			Total	

(Question 14 (a) is continued on following page)

(b) **RECEIPTS—THINGS OF VALUE**

During this 6 month reporting period, have you received any thing of value[4] other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?
Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal	*Date received*	*Description of thing of value*	*Purpose*
[redacted]			

[3] A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).
[4] Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

14 (a) Receipts-Monies (Continued)

Date	From Whom	Purpose	Amount
8-8-85	A&P (Canadian Forest Industries)	Fees	56,711.25
8-8-85	A&P (Canadian Forest Industries)	Disbursements	7,923.67
8-30-85	A&P (Canadian Forest Industries)	Fees	48,014.25
8-30-85	A&P (Canadian Forest Industries)	Disbursements	4,126.15
10-2-85	A&P (Canadian Forest Industries)	Fees	55,592.25
10-2-85	A&P (Canadian Forest Industries)	Disbursements	5,832.69
11-4-85	A&P (Canadian Forest Industries)	Fees	78,624.50
11-4-85	A&P (Canadian Forest Industries)	Disbursements	20,412.05
11-26-85	A&P (Canadian Forest Industries)	Fees	103,113.50
11-26-85	A&P (Canadian Forest Industries)	Disbursements	28,767.29

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15. (a) DISBURSEMENTS—MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	*To Whom*	*Purpose*	*Amount*
Korean Traders			
Various	Xerox Corporation	Duplicating	0.30
11-11-85	Arnold & Porter	Secretarial Services	192.50
Canadian Forest Industries Council			
Various	Xerox Corporation	Duplicating	21,967.94
Various	C & P Telephone	Telephone	717.83
Various	U.S. Postal Service	Postage	1,012.16
Various	APCO Employees	Cash Expense	4,036.83
Various	APCO Employees	Local Transportation	2,098.05
Various	Arnold & Porter	Secretarial Services	16,503.75
Various	Federal Express	Courier Service	229.95
Various	RCA Global Communications	Telex	502.85
Various	Mead Data Central	Lexis	5,704.63
8-26-85	Washington Service Bureau	Publications	29.80
9-26-85	National Journal	Publications	1.74
11-11-85	Arnold & Porter	Legal Assistant Services	11,636.50
Various	The Bread Oven	Meals	20.35
10-28-85	Guest Services	Meals	52.55
10-22-85	The Hunt Room	Meals	882.55
10-11-85	Hyatt Regency	Meals	1,675.08

Total

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15. (b) DISBURSEMENTS—THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value[5] other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?
Yes ☐ No ☒

If yes, furnish the following information:

Date disposed	*Name of person to whom given*	*On behalf of what foreign principal*	*Description of thing of value*	*Purpose*
N/A				

(c) DISBURSEMENTS—POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value[5] in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?
Yes ☐ No ☒ */However, the following person who has filed a Short-Form Registration Statement has made contributions in connection with Elections for
If yes, furnish the following information: federal offices:

Date	*Amount or thing of value*	*Name of political organization*	*Name of candidate*
Margery Kraus 10/28/85	$250	Fascell for Congress	Dante Fascell

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V—POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal. Canadian Forest Industries Council

[5]Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☐ Radio or TV broadcasts ☐ Magazine or newspaper articles ☐ Motion picture films ☒ Letters or telegrams

☐ Advertising campaigns ☒ Press releases ☒ Pamphlets or other publications ☐ Lectures or speeches

☒ Other *(specify)* Memoranda

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☐ Libraries

☒ Legislators ☒ Editors ☐ Educational institutions

☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups

☐ Other *(specify)*

21. What language was used in this political propaganda:

☒ English ☐ Other *(specify)*

22. Did you file with the Registration Section, U.S. Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period? Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, U.S. Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act? Yes ☒ No ☐

VI—EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

(a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A[6] Yes ☐ No ☐ N/A

Exhibit B[7] Yes ☐ No ☐

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? N/A Yes ☐ No ☐

If no, please attach the required amendment. N/A

[6]The Exhibit A, which is filed on Form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.

[7]The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

26. **EXHIBIT C**

If you have previously filed an Exhibit C[8], state whether any changes therein have occurred during this 6 month reporting period. Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment. N/A

27. **SHORT FORM REGISTRATION STATEMENT**

Have short form registration statements been filed by all of the persons named in Items 5 and 7 of the supplemental statement? Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Margery Kraus

Subscribed and sworn to before me at Washington, D.C.

this 3rd day of February, 1986

Margaret A. Hann
(Signature of notary or other officer)

My Commission Expires June 1, 1986

[8]The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justice, Washington, D.C. 20530.)

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ATTACHMENT A

11. During this 6-month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9 and 10 of this statement?
__X__ Yes _____ No.

If yes, identify each such foreign principal and describe in full detail your activities and services:

Korean Traders Association

No activities

Canadian Forest Industries Council

The Registrant assisted Arnold & Porter in representing the principal in connection with proposed legislation with respect to efforts to restrict imports of lumber and other forest products from Canada.

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Attachment B

12. During the 6 month reporting period, have you on behalf of any foreign principal engaged in political activity as defined below?

YES X NO ____

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating among other things, the relations, interests, and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to date, places of delivery, names of speakers and subject matter.

Canadian Forest Industries Council

On behalf of the foreign principal, the Registrant had discussions regarding proposed restrictions on imports of lumber from Canada with Berta Bradford, Aide to Rep. Pickle, on September 10, 1985; with Jeff Crane, Aide to Rep. Crane, on September 10, 1985 and October 21, 1985; with Rep. Jenkins, US Congressman, on September 10, 1985; with Rep. Guarini, US Congressman, on September 10, 1985; with Mary Beth Riordan, Aide to Rep. McGrath, on September 10, 1985; with Steve Wallace, Aide to Sen. D'Amato, on September 24, 1985 and October 8, 1985; with Bob Guttman, Aide to Sen. Quayle, on October 3, 1985; with Bill Mattea, Aide to Sen. Dixon, on October 8, 1985; with Steve Nousen, Aide to Sen. Hatfield, on June 27, 1985 and September 27, 1985; with Brose McVay, Aide to Sen. Quayle, on October 3, 1985; with George Dalley, Aide to Rep. Rangel, on October 4, 1985; with Rachel Sotsky, Aide to Sen. Rudman, on October 4, 1985; with David Cox, Aide to Sen. Boren, on October 4, 1985; with Rep. Bevill, US Congressman, on October 8, 1985; with Rep. Bentley, US Congresswoman, on October 8, 1985; with Lisa Lerner, Aide to Sen. Dixon, on October 8, 1985; with Rep. Callahan, US Congressman, on October 8, 1985; with Mike House, Aide to Sen. Heflin, on October 9, 1985 and November 7, 1985; with Meg Hunt, Aide to Sen. Denton, on October 9, 1985; with George Krumbhaar, Aide to Sen. Glenn, on October 9, 1985; with Rep. Lott, US Congressman, on October 9, 1985; with Sen. Denton, US Senator, on October 9, 1985; with Rep. J. Lazerov, Aide

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to Sen. Sarbanes, on October 16, 1985; with Jim Guthrie, Aide to Sen. Biden, on October 17, 1985; with David Rudd, Aide to Sen. Hollings, on October 17, 1985; with Ruth Kurtz, Aide to Sen. Roth, on October 17, 1985; with Mary Ann Richardson, Aide to Rep. Lundine, on October 23, 1985; with Karen Johnson, Aide to Rep. Towns, on November 6, 1985; with Sen. Long, US Senator, on November 6, 1985; with Sen. Johnston, US Senator, on November 6, 1985; with Russell Smith and Becca Gould, Aides to Rep. Broyhill, on November 7, 1985; with Barbara Eymen, Aide to Rep. Panetta, on November 8, 1985; with Gregg Mounts, Aide to Rep. Dingell, on November 8, 1985; with Orlando Potter, Aide to Sen. Pell, on November 5, 1985; with Rep. Clinger, US Congressman, on November 16, 1985; with Randall Luthi, Aide to Sen. Simpson, on November 19, 1985; with Sen. Baucus, US Senator, on November 21, 1985; with Rep. Duncan, US Congressman, on November 21, 1985; with Rep. W. Lehman, US Congressman, on December 4, 1985; with David Roach, Aide to Rep. Williams, on June 14, 1985; with Cindy Wilhite, Aide to Rep. R. Smith (OR), on June 14, 1985; with Rep. Wyden, US Congressman, on June 14, 1985 and July 26, 1985; with Rich Brown, Aide to Rep. Wyden, on June 14, 24, 1985 and July 26, 1985 and August 30, 1985; with Rep. Schulze, US Congressman, on June 19, 1985 and October 23, 1985; with Rich Merski, Aide to Rep. Schulze, on June 19, 1985; with Rick Samans, Aide to Rep. Pease, on June 27, 1985; with Pat Eveland, Aide to Rep. Frenzel, on June 28, 1985; September 9, 1985 and October 3, 21, 1985; with Jim Schlict, Aide to Rep. Heftel, on July 1, 1985 and October 22, 1985; with George Weise, Ways and Means Committee, on July 24, 1985, September 11, 13, 1985, October 3, 1985, November 6, 1985 and December 16, 1985; with Meredith Broadbent, Minority Staff - Ways and Means Committee, on July 24, 1985; with Jeff Lang, Senate Finance Committee, on July 24, 1985; with Mike Pate, Aide to Sen. Bentsen, on July 24, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Anthony, US Congressman, on July 25, 1985 and September 10, 1985; with Rep. AuCoin, US Congressman, on July 25,

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1985; with Jan Kinney, Aide to Rep. Jenkins, on July 25, 1985; with Rep. Bonker, US Congressman, on July 25, 1985 and October 30, 1985; with Mark Murray, Aide to Rep. Bonker, on July 25, 1985; with Sen. Durenberger, US Senator, on July 25, 1985; with Jimmy Powell, Aide to Sen. Durenberger, on July 17, 19, 25, 1985 and November 19, 1985; with Carolyn Blaydes, Aide to Rep. Downey, on September 11, 1985; with Woody Keeney, Aide to Rep. Gregg, on September 11, 1985; Rep. Jacobs, US Congressman, on September 11, 1985; with Leslie Brown, Aide to Rep. Gradison, September 11, 1985; with Jonas Bobelis, Aide to Schulze, on September 11, 1985; with Rufus Yerxa, Trade Sub., Ways and Means, on September 13, 1985 and December 16, 1985; with Sandra Taylor, Aide to Sen. Chafee, on September 18, 1985; with Ed Greelegs, Aide to Rep. Russo, on September 16, 1985; with Peter Knight, Aide to Sen. Gore, on July 25, 1985; with Leon Fuerth, Aide to Sen. Gore, on July 25, 1985; with Henry Barton and Mark Elam, Aides to Rep. Campbell, on September 9, 1985; with Tom Friemuth, Aide to Rep. Daub, on September 9, 1985; with Donna Feinberg, Aide to Rep. Dorgan, on September 9, 1985; with Anne Urban, Aide to Rep. Kennelly, on September 9, 1985; with Rep. Don Pease, US Congressman, on September 10, 1985; with Jim Hawley, Aide to Rep. Gephardt, on September 10, 1985; with Bob Ludwiczak, Aide to Sen. Grassley, on September 18, 1985 and October 4, 1985; with Greg Farmer, Aide to Rep. MacKay, on October 2, 1985; Tom Spulak, House Rules Committee, on October 2, 1985 and November 8, 1985; with Pat Maclauseland, Aide to Sen. Gorton, on October 4, 1985; with David Bley, Aide to Rep. Lowry, on October 7, 17, 1985; with Rep. Mike Lowry, US Congressman, on October 7, 17, 1985; with Thelma Askey, Minority Staff-Ways and Means Committee, on November 4, 1985; with Chris Finn, Aide to Rep. J. Jones, on November 11, 1985; with Rep. Sikorski, US Congressman, on November 8, 1985; with Rep. Richardson, US Congressman, on November 14, 1985; with Dan Evans, Aide to Rep. Bonker, on December 6, 1985; with Louis Roth, Aide to Sen. Glenn, on October 9, 1985; with Rep. Feighan, US Congressman, on October 9, 1985; with Floyd Fithian and Dan McGrath, Aides to Sen. Simon, on October 9, 19, 1985; with Phil Rotondi, Aide to Rep. Foglietta, on October 17, 1985; with Bill Morley, Aide to Sen. Spector, on October 17, 1985; with Sen. Gorton, US Senator, on October 18, 1985; with

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Rep. Dicks, US Congress, on October 18, 1985; with Joe Mentor, Aide to Sen. Evans, on October 18, 1985; with Charles Broches, Aide to Rep. J. Miller, on October 18, 1985; with Sam Story, Aide to Rep. Emerson, on October 21, 1985 and November 18, 1985; with Rep. Fascell, US Congressman, on October 21, 1985 and November 18, 1985; with Rep. R. Young, US Congressman, on October 23, 1985; with Rep. Erdreich, US Congressman, on October 29, 1985; with Frank Toohey, Aide to Rep. Flippo, on October 29, 1985; with Steve Raulston, Aide to Rep. Dickinson, on October 29, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Emerson, US Congressman, on October 9, 1985; with Rep. Stangeland, US Congressman, on October 9, 1985; with Rep. St. Germaine, US Congressman, on October 9, 1985; with Marcia Aronoff, Aide to Sen. Bradley, on October 9, 1985; with Rep. Michel, US Congressman, on October 19, 1985; with Rob Kirchner and Jim Cuttell, Aides to Rep. Roukema, on October 19, 1985; with Pat Wait, Aide to Rep. Bentley, on October 19, 1985; H.P. Goldfield, Assistant Sec. Commerce Dept, on June 25, 1985; with Jim Medas, Dept. Asst. Sec. of State for Canadian Affairs, on June 26, 1985, July 15, 17, 22, 1985, and October 7, 1985; with John Anderson, Commerce Department, on September 6, 1985; with Bill Merkin, USTR, on July 25, 1985, August 13, 1985, September 12, 1985, October 7, 11, 21, 24, 1985, and November 5, 12, and 22, 1985; with John Stiner, Commerce Department, on August 14, 1985, October 8, 16 29, 1985, November 15, 1985; with Mike Kelly, Commerce Department, on August 14, 1985, October 15, 21, 30, 1985; with Alex Platt, National Security Council, on November 20, 22, 1985; with Amb. Michael Smith, Deputy USTR, on July 24, 1985; with Alan Holmer, General Counsel - USTR, July 24, 25, 1985; with Gene Allister, White House Staff, on August 28, 1985 and September 10, 1985; with Susan Beasley, Treasury, September 12, 1985; with Andy Card, Special Asst., The White House, on September 5, 1985 and October 8, 1985; with Chris Kristiansen, Commerce Department, on October 21, 1985; with Lehman Li, White House Staff, on November 5, 1985; with Ann Hughes,

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Deputy Assistant Sec. - Commerce, on August 14, 1985 and November 22, 1985; with Bill Barreda and Bill Murden, Treasury, on August 13, 1985; with Tom Kay, Agriculture, on August 14, 1985; with Bruce Smart, UnderSecretary of International Trade, Department of Commerce, on August 14, 1985; with Robert Searby, Betsy White and Chris Hankin, Labor, on August 14, 1985; with Robert Cornell, Treasury, on September 12, 1985; with Randy Davis, Office of Management and Budget, on September 11, 1985; with Thomas Moore and Joseph Stone, Council of Economic Advisors, on August 14, 1985; with Doug McMinn, Department of State, on October 21, 1985; with Mike Farren, Commerce Department, on November 22, 1985.

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U.S. Department of Justice
Washington, D.C. 2053.

Short-Form Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

Each partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related or similar capacity.

1. Name Kimberly Sue Olson	Registration No. 3597
2. Residence Address 225½ C Street, N.E. Washington, D.C. 20002	3. Business Address 1200 New Hampshire Ave., N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958 Arlington, VA Present Citizenship United States	5. If present citizenship was not acquired by birth, indicate when, where, and how acquired.

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file this statement?

Name APCO Associates Address 1200 New Hampshire Ave., N.W.
Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association

9. Indicate your connection with the individual or organization named in Item 7:
☐ partner ☐ director ☒ employee
☐ officer ☐ associate ☐ agent
☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If you are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be used.)*

As Legislative Associate, Washington Services at APCO for the Canadian Forest Industries Council project only, I will perform all necessary functions in that capacity.

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11. Do any of the above described services include political activity as defined in the footnote below?
☒ Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined in the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
☒ full time basis ☐ part time basis ☐ special basis

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____
☐ Fee: Amount $ _____ ☐ Other thing of value */

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount
I receive a regular salary plus out-of-pocket expenses		

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with an election to political office or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

June 5, 1985 — Date of Signature

Kimberly Olson — Signature

Subscribed and sworn to before me at Washington, D.C.

this 5th day of June, 19 85.

Margaret A. Vana — Signature of notary or other officer

My commission expires June 4, 1986.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/ My salary is paid on an annual basis in semi-monthly installments for time spent only on Canadi-- Forest Industries Council and administrative matt--s.

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U.S. Department of Justice
Washington, DC 20530

Amendment to Registration Statement
Pursuant to the Foreign Agents Registration Act of 1938, as amended

OMB No. 1124-0004
Approval Expires Oct. 31, 1985

1. Name of Registrant	2. Registration No.
APCO Associates	3597

3. This amendment is filed to accomplish the following indicated purpose or purposes:

- ☐ To correct a deficiency in
  - ☐ Initial Statement
  - ☐ Supplemental Statement for _____
- ☒ To give a 10-day notice of a change in information as required by Section 2(b) of the Act.
- ☐ Other purpose *(specify)* _____
- ☐ To give notice of change in an exhibit previously filed.

4. If this amendment requires the filing of a document or documents, please list-

Exhibits A & B

5. Each item checked above must be explained below in full detail together with, where appropriate, specific reference to and identity of the item in the registration statement to which it pertains. If more space is needed, full size insert sheets may be used.

This amendment to Registrant's Registration Statement is to give notice of a new foreign principal of the Registrant, the Canadian Forest Industries Council, and to file the necessary Exhibits A & B.

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SECTION
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The undersigned swear(s) or affirm(s) that he has *(they have)* read the information set forth in this amendment and that he is *(they are)* familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his *(their)* knowledge and belief.

Margery Kraus

(Both copies of this amendment shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at Washington, D.C.

this 20th day of May, 1985 Margaret A. Chase
(Notary or other officer)

My commission expires June 1, 1986

8904073 20058

U.S. Department of Justice
Washington, DC 20530

Exhibit A
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1124-0003
Approval Expires Oct. 31, 1983

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant	2. Registration No.
APCO Associates 1200 New Hampshire Avenue, N.W. Washington, D.C. 20036	3597

3. Name of foreign principal	4. Principal address of foreign principal
Canadian Forest Industries Council	85 Albert Street Ottawa, Ontario Canada K1P 6A4

5. Indicate whether your foreign principal is one of the following type:

☐ Foreign government

☐ Foreign political party

☒ Foreign or ☐ domestic organization: If either, check one of the following:

☐ Partnership ☐ Committee

☐ Corporation ☐ Voluntary group

☐ Association ☒ Other (specify) Council

☐ Individual—State his nationality

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant. N/A

b) Name and title of official with whom registrant deals.

7. If the foreign principal is a foreign political party, state:

a) Principal address N/A

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

The foreign principal aims to provide a vehicle through which the forest industries of Canada, as represented by their respective associations may actively support common national or regional objectives. With reference to the U.S., the foreign principal tries to ensure the long term viability of the forest industries by defending them against trade restrictions.

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SECTION
REGISTRATION UNIT

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b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Directed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Financed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page may be used.)*

The foreign principal is owned, directed, controlled and financed by the following Canadian associations:

Alberta Forest Products Association
Canadian Lumbermen's Association
Canadian Pulp and Paper Association
Canadian Wood Council
Cariboo Lumber Manufacturers' Association
Central Forest Products Association, Inc.
Council of Forest Industries of British Columbia
COFI-Northern Interior Lumber Sector
Interior Lumber Manufacturer's Association
Maritime Lumber Bureau
New Brunswick Forest Products Association
Nova Scotia Forest Products Association
Ontario Forest Industries Association
Ontario Lumber Manufacturers Association
L'Association des Industries Forestieres du Quebec Limitee
The Western Plywood Manufacturers Association

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10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

U.S. Department of Justice
Washington, DC 20530

EXHIBIT B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Oct. 31, 1983

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	Canadian Forest Industries Council

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

See Number 4 Below.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

The fee for such services is to be determined based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

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6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1]
Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant will engage in political activities on behalf of the foreign principal. The Registrant's activities may on occasion include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with Members of the U.S. Senate and House of Representatives and their staffs relating to legislation and other actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other forest products from Canada.

Date of Exhibit B	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or ny other way influence any agency or official of the Government of the United States or any section of the p within the United States with reference to formulating, adopting, or changing the dom or foreign policies of the United States or with reference to the political or public interests, policies, or relation overnment of a foreign country or a foreign political party.

Attachment 1

APCO Associates

Board of Directors

Dennis G. Lyons	1203-S. Watergate East 2500 Virginia Ave., N.W. Washington, D.C. 20037	Chairman	U.S.
Myron P. Curzan	5519 Uppingham St. Chevy Chase, MD 20815	Director	U.S.
G. Duane Vieth	3717 Cardiff Road Chevy Chase, MD 20815	Director	U.S.
Stuart J. Land	1816-24th St., N.W. Washington, D.C. 20008	Director	U.S.
Murray H. Bring	7013 Heatherhill Rd. Bethesda, MD 20034	Director	U.S.
James F. Fitzpatrick	3848 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Norman M. Sinel	3710 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Michael N. Sohn	6806 Florida St. Chevy Chase, MD 20015	Director	U.S.
David R. Kentoff	8416 Fox Run Potomac, MD 20854	Director	U.S.
Margery Kraus	9609 Whitecedar Ct. Vienna, VA 22180	Director	U.S.

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APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 872-3665

FOR IMMEDIATE RELEASE

Margery Kraus
APCO Associates
(202) 872-3665

NEW DEVELOPMENT CONSULTING GROUP

ANNOUNCED BY ARNOLD & PORTER

Washington, D.C., March 29--Arnold & Porter, the 37-year-old Washington-based law firm, one of the city's largest, today spawned a new consulting group to provide the full range of services required for private and government development projects.

The new organization, APCO Associates, the Arnold & Porter Consulting Group, will extend the services normally available in a law firm to include the full range of disciplines necessary to assist in the planning of complex development projects. These include financial, marketing, management and development services.

Through an affiliated company, MPC & Associates, Inc., implementation services will also be offered to public and private entities undertaking these development projects.

This combination of services is specially designed to provide development expertise for institutions of learning, cities, non-profits and private/ public partnerships in dealing with private and governmental sectors.

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Announcing establishment of the new group, Myron P. Curzan, an Arnold & Porter partner and president of APCO, said: "Throughout its history Arnold & Porter has delivered a full range of traditional legal services to clients in the public and private sectors. The complexity of the economic environment of the 1980's has created a new set of problems requiring innovative solutions, often involving a disparate set of actors from the public and private sectors. In order to respond to these changing needs and to changes in the practice of law, Arnold & Porter has created APCO -- The Arnold & Porter Consulting Group."

Dennis Lyons, another Arnold & Porter partner, is chairman of APCO. The firm decided on a non-lawyer and outsider to serve as Chief Operating Officer and Executive Vice President of APCO. She is Margery Kraus, until now Vice President of the Close Up Foundation, a multi-million dollar educational foundation which develops citizenship education programs. Mrs. Kraus, who is married and the mother of three children, has had thirteen years of varied management and development experience. She is also a member of the board of directors of Intervest, Inc., a real estate investment firm.

APCO has offices in the Thurman Arnold Building, 1200 New Hampshire Avenue, N.W.

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APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 872-3665

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BIOGRAPHICAL SKETCH OF

MYRON P. CURZAN

Mr. Curzan joined Arnold & Porter in 1967 and became a partner in the firm in 1973. In his work at the firm, he has specialized in development projects relating to real estate and telecommunications. These projects have included the development of the satellite interconnection system for public broadcasting, the creation of the delivery mechanism to provide closed captioning services to the hearing-impaired, and the representation of various foundations, governmental entities, community development corporations, and private companies on the use of federal programs and appropriate development procedures for financing and managing large-scale real estate projects that utilize public and private capital.

Over the years, Mr. Curzan has served on a number of national committees and task forces in conjunction with his work in the housing field. Some of these include work as the Executive Director of the Task Force on Improving the Operation of Federally Insured or Financed Housing Programs established by the National Center for Housing Management, counsel to the HUD-established Task Force on Housing Management, and member of the Advisory Board of the Bureau of National Affairs Housing and Development Reporter.

In addition to this work at Arnold & Porter, Mr. Curzan has served as a Director of the Scovill Manufacturing Company, 1972-1978; and a Director of the Council on Public Interest Law, 1978-1980. He is currently a Director of Connecticut Mutual Life Insurance Company.

Mr. Curzan received his B.A., magna cum laude, Phi Beta Kappa from Columbia College. He was selected as a Woodrow Wilson Fellow and received his M.A. from Yale University. His LL.B., magna cum laude was received at Columbia Law School where he was a Harlan F. Stone Scholar and a member of the Columbia Law Review. He is married and lives with his wife and three children in Chevy Chase, Maryland.

APCO ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
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Washington, D.C. 20036
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BIOGRAPHICAL SKETCH OF

MARGERY KRAUS

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

Mrs. Kraus joined APCO Associates as its chief operating officer on February 1, 1984. Prior to that time, she was Vice President for the Close Up Foundation, a multi-million dollar educational foundation which develops political education programs for high school students and teachers on a national basis.

During her 13 years at the Close Up Foundation, she played a key part in developing the organization from a $100,000 per year operation with five employees to a $15 million per year organization with over 150 employees. Mrs. Kraus had direct responsibility for both administration and program development, in addition to fundraising and legislative relations. Among her many accomplishments at Close Up was the development of the Close Up Telecommunications Project, which now provides over 100 live television programs a year to schools and homes around the country on the Cable Satellite Public Affairs Network (C-SPAN).

Mrs. Kraus' outside activities include membership on the Board of Directors of Intervest, Inc., a real estate investment and management firm and membership on the Educational Task Force of Project '87, an effort to commemorate the Bicentennial of the Constitution. She is also a regular correspondent to a series of women's newspapers through a monthly column, Washington Watch. Mrs. Kraus is listed in Who's Who of American Women.

Mrs. Kraus received a B.A. from Knox College and American University, magna cum laude with honors in government. She received an M.A. in Government and Public Law from American University. She is married and lives with her husband and three children in Vienna, Virginia.

THE APCO STORY

THROUGHOUT ITS HISTORY, ARNOLD & PORTER HAS DELIVERED A FULL RANGE OF LEGAL SERVICES TO CLIENTS IN THE PUBLIC AND PRIVATE SECTORS. MANY OF THESE SERVICES HAVE INVOLVED THE DEVELOPMENT OF PROJECTS THAT REQUIRED INTERDISCIPLINARY APPROACHES TO THE SOLUTION OF COMPLEX PROBLEMS.

IN ORDER TO OFFER A WIDER RANGE OF SERVICES, ARNOLD & PORTER HAS ESTABLISHED A CONSULTING FIRM, APCO ASSOCIATES, TO SERVE CLIENTS IN THE PUBLIC AND PRIVATE SECTORS WHO ARE PLANNING OR IMPLEMENTING COMPLEX DEVELOPMENTAL PROJECTS.

INITIAL AREAS OF CONCENTRATION FOR APCO WILL INCLUDE THE FOLLOWING:

- SERVICES TO UNIVERSITIES REGARDING THE USE OF THEIR PROPERTY AND THE DELIVERY OF SERVICES TO BOTH THE CAMPUS AND OUTSIDE COMMUNITIES; THE EXPANSION OF UNIVERSITY MEDICAL BASED FACILITIES; AND THE DEVELOPMENT OF APPROACHES FOR EXPANDING FINANCIAL RESOURCES AND INVESTMENT OPPORTUNITIES OF INSTITUTIONS OF HIGHER EDUCATION.
- SERVICES TO PRIVATE ENTITIES FACING UNIQUE DEVELOPMENT AND INVESTMENT PROBLEMS THAT REQUIRE INPUT FROM MULTI-DISCIPLINARY CONSULTING TEAMS.
- SERVICES TO LOCAL GOVERNMENT THAT INVOLVE THE DEVELOPMENT AND FINANCING OF REAL ESTATE VENTURES IN WHICH THESE GOVERNMENTAL ENTITIES WILL HAVE AN ONGOING INTEREST.
- LOBBYING AND INFORMATION SERVICES TO AID LOCAL GOVERNMENTS AND OTHERS IN DEALING WITH WASHINGTON-BASED PROBLEMS.

APCO WILL BE GUIDED BY A BOARD OF DIRECTORS COMPOSED OF NINE SENIOR PARTNERS OF ARNOLD & PORTER. THE COMPANY WILL BE MANAGED BY MYRON P. CURZAN, AN ARNOLD & PORTER PARTNER, WHO WILL SERVE AS ITS PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND BY MARGERY KRAUS, FORMERLY VICE PRESIDENT OF THE CLOSE UP FOUNDATION, WHO WILL SERVE AS APCO'S EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER.

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APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
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(202) 872-3665

FIRM PROFILE

APCO Associates, The Arnold & Porter Consulting Group, was recently formed as a spinoff of the Washington law firm of Arnold & Porter. It is headed by Myron P. Curzan, an Arnold & Porter partner who specializes in the planning and development of real estate and telecommunications projects for private and nonprofit institutions, and Margery Kraus who recently joined APCO after 13 years in the management and financing of development projects for nonprofit organizations.

APCO brings to its projects a multi-disciplinary approach to problem-solving and development issues. It utilizes both the talents of Arnold & Porter attorneys and the non-legal professionals of APCO and the firms with which it contracts. APCO draws upon four kinds of skills as it works with clients: legal, financial, marketing, and development.

APCO normally uses a three-phased planning process that assumes full client participation at each step. Simple but critical questions lie at the heart of each phase.

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I. CAN THIS PROJECT BE DONE?

A multi-disciplinary feasibility study is done to determine:

- whether the basic concept of the project is sound and whether the client's objectives are clear;
- the range of legal, financial, marketing, management, and development options available for successfully implementing the project;
- the resources that can be called upon by the client or by the project;
- the magnitude of the potential obstacles to a successful outcome for the venture; and
- the long-range potential of the project for success in light of the client's goals.

II. WHAT APPROACH(ES) SHOULD BE TAKEN TO ACHIEVE THE CLIENT'S GOALS?

APCO and the client draw up a total plan for the entire project. The plan:

- begins with an analysis of each factor affecting the outcome;
- indicates the relevant expertise for dealing with each problem;
- suggests the action options most suited to achieving the client's objectives; and
- sets forth the timing for each phase of activity.

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III. HOW SHOULD WE IMPLEMENT THE PLAN?

Once it is determined that the project can be accomplished and a sound approach has been devised to bring it to fruition, the implementation process begins. APCO or its sister corporation will then--at the client's request--take responsibility for various aspects of the project. APCO's services include:

- marshalling the diverse resources that the project requires and bringing them to the development process in a timely way;
- managing the professionals who are needed to carry out the plan;
- providing an "early warning system" that signals difficulties and then working with the client to design appropriate responses;
- providing the client with periodic and realistic assessments of progress; and
- developing a long-term operations and management program for the venture.

APCO'S CLIENT SERVICES

APCO's services are designed for clients as diverse as its services. They include:

- Services to Universities. APCO works with public and private universities to help them make the best use of their increasingly limited resources. APCO

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personnel have developed innovative approaches for the development of faculty and student housing as well as multi-purpose university facilities.

- Services to Cities. APCO works with cities to overcome problems relating to the creation of new services and the redeployment of local resources. Recent projects undertaken by APCO and Arnold & Porter personnel have involved the planning and franchising of cable television and the review of multi-use real estate ventures.

- Services to Nonprofits and Private/Public Partnerships. APCO works with profit-making and nonprofit entities to devise unique approaches to the commencement of new services and the solution of problems that are interfering with current services. APCO personnel have worked on a wide range of programs; from expanding television offerings for the hearing impaired to ensuring a future for a prominent symphony.

- Washington Services. APCO, working closely with professionals at Arnold & Porter, has extensive experience in dealing with the federal government--on Capitol Hill, in the Executive Branch, and at the regulatory agencies. If the problem requires a Washington-based solution, APCO can normally provide the necessary assistance.

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Personalities

By Chuck Conconi
Washington Post Staff Writer

Circulating around Capitol Hill this month is a handy handbook for members of Congress. The booklet, "Politicians and Their Spouses' Careers," covers a subject the Founding Fathers never anticipated: the spouse's job. Former Capitol Hill administrative aide **Mare E. Miller**, the author of the book, said the need for such a booklet became apparent to him when Democratic Party vice-presidential candidate **Geraldine Ferraro** was called to answer questions about her husband's business activities.

Miller said his serious and almost academic work is for all those two-career marriages that are going to increase as congressional couples attempt to survive in Washington on a legislator's salary. There are, he added, few rules or guidelines to keep them out of trouble.

The book even includes a detailed legal and ethical checklist the working couple is to answer. It can, however, all be summarized in one standard, Miller said: "How would you feel if anything about your career appeared on the front page" of your local newspaper?

End Notes

In one of those unexpected turns of events, Viking Penguin will publish an authorized biography of **Anatoly B. Shcharansky**, the Jewish dissident who was allowed to leave the Soviet Union last week and is now living in Israel. When the publishers contracted for the work with British historian **Martin Gilbert**, a portion of the proceeds was to go to a fund for the Shcharansky family to continue to seek his freedom. That agreement remains now that he is free and the book is even more timely. Gilbert, who is the author of an eight-volume life of Winston Churchill, also wrote "The Jews of Hope," about Soviet dissidents, and "The Holocaust." A copy of the finished manuscript is to be sent to Shcharansky . . .

Father **Gilbert Hartke**, one of the fathers of Washington theater, is in critical condition



FATHER GILBERT HARTKE

with multiple heart and kidney ailments at Providence Hospital, where he has been since Feb. 12. The 78-year-old Dominican priest, who founded and was chairman of Catholic University's theater department for nearly 40 years, has had a number of hospitalizations over the past year. Since October, he has been hospitalized seven times . . .

Syndicated columnist **Art Buchwald** hosted a salute at New York University's Tamiment Library Wednesday to honor **Virginia Durr**, an 82-year-old civil rights activist from Alabama who published her autobiography, "Outside the Magic Circle," at the end of last year. Buchwald staged a "This Is Your Life" presentation. Among the guests were television newsman **Mike Wallace**, **Bobby Kennedy Jr.**, authors **Carlos Fuentes** and **William Styron** and cartoonist **Jules Feiffer** . . .

Pop star **Madonna** and her tough-guy actor husband **Sean Penn** arrived in West Berlin yesterday surrounded by 15 bodyguards to keep the photographers and fans away. They traveled there from Hong Kong, where they were shooting a movie together, to attend the Berlin Film Festival. Penn is starring in the movie "At Close Range," which is being premiered there. Since Penn hates photographers so and has been in a few fights with them, the newsmen might have been thankful that the squad of bodyguards was present to keep Penn away from them . . .

Federal spending cuts of the kind mandated by the Gramm-Rudman-Hollings act hit home for Illinois Rep. **Lane Evans**. His 58-year-old father **Lee Evans** is now out of work. He was one of four people laid off in Rock Island, Ill., because of cutbacks in the federal community development block grants the city receives. Evans, who voted against Gramm-Rudman-Hollings, said he knew the legislation could possibly affect his father, but he isn't worried about him. He said, "He's an old salt from the Navy. He's been through worse, and he'll get through this. It's going to mean far worse things to less advantaged people. I'm concerned how all these program cuts are going to affect those people" . . .

Vice President **George Bush** was in Cheyenne, Wyo., Wednesday where he met with **John** and **Missy McPhillips**, the brother-sister fourth graders who are attempting to get elementary school children to raise money to build a new space shuttle. NASA isn't keeping separate counts on how much money the space agency has received from individual groups to build another Challenger, but so far a total of $23,000 has been donated. At the billion-dollar-neighborhood cost of a new Challenger, the school kids have a long way to go . . .

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Personalities

By Chuck Conconi
Washington Post Staff Writer

First Lady **Nancy Reagan** is expected to give an official endorsement early next month to an 11-hour antidrug rock concert that will be broadcast by satellite to 150 nations, including the Soviet Union. Titled the Concert That Counts, the April 26 event, at a location yet to be decided, will include some of the biggest rock stars, according to the Los Angeles Times.

Since it is not a fund-raising concert, the big acts will be paid to perform. The purpose of the event is to deglamorize drug and alcohol use by showing big-name rock stars who do not indulge. The **Pointer Sisters** and **Toto** have signed up and on March 3 it will be announced which other stars will participate. Global Media Inc., the organizer, hopes to hold the concert at the Rose Bowl, but neighbors have protested. Alternative sites are the L Angeles Memorial Coliseum and the Pontia



ASSOCIATED PRESS

Barbara Sinatra presents a trophy to Charles and the polo team he played with in California.

Millionaire Michael Deaver?

Since leaving the Reagan White House, **Michael Deaver** has been so successful in his public relations firm that Newsweek magazine is reporting that it is "almost certain" he has become a millionaire in the nine months since he left as deputy chief of staff. Deaver's quick success and his continued close association with **President** and **Nancy Reagan** have been the subject of previous press scrutiny.

In the current Newsweek article, titled "Cashing In on Reagan: A New Breed of Access Peddler Makes It Big," Deaver's new Georgetown-based firm is described as "one of the hottest startup ventures this side of Silicon Valley." Cashing in on political contacts and friendships is not a new thing to Washington, but the article says about a dozen former Reagan campaign aides and campaign officials operating with White House access have, according to one unidentified source in the article, caused concern that it's only a matter of time before there is a "major Washington political scandal involving this new breed of access peddlers."

End Notes

The various charity auction fundraisers around town try to outdo themselves each year by having a special item that will surely attract attention—for example, an antique automobile or a round trip to some exotic port. The Georgetown Preparatory School hasn't come up with that kind of glittery exotica. It is offering a 900-pound Black Angus steer, five or boxed. Now who could accept it boxed? If you brought it home to Georgetown or Potomac, it would make a trend-setting pet. Besides, red meat isn't good for you . . .

Royal Watch: **Prince Charles** left for home yesterday after resting up in the refined comforts of the Annenbergs' palatial Rancho Mirage, Calif., estate. After his whirlwind five days in Texas celebrating the state's 150th birthday, the traveling prince came to the home of former ambassador to the Court of St. James's **Walter Annenberg** and his wife **Leonore**, former U.S. chief of protocol, for some sunshine and polo. The team Charles rode with Saturday won the match and **Frank Sinatra**'s wife **Barbara** presented the prince with a trophy. Charles said he needed the exercise badly "and my liver needs it even more so." Then he quickly added: "They have very good food in Texas." Nice catch, Charles. Those Texans don't take kindly to such aspersions on their cuisine . . .

Royal Watch, Pacific Theater: Meanwhile mom **Queen Elizabeth** and dad **Prince Philip** are in Auckland, New Zealand, where yesterday the queen was hit in the leg with an egg thrown by a young woman protesting her visit. Another young woman threw an egg that hit the royal car. The queen appeared visibly upset by the attacks. There is also the possibility the Royal Couple may face, so to speak, a traditional Maori insult called "whakapohane:" a "21-bum salute," the baring of buttocks. If the whakapohane ever catches on here, it won't be safe for politicians to go out in public again . . .

Fiscal cutbacks are creating a new kind of social activist. Beginning March 9, the Library of Congress will be closed on Sundays and evening hours will be all but eliminated, making it truly a service available virtually to only Congress. Librarian of Congress **Daniel J. Boorstin** has expressed his concern, and tonight a candlelight vigil of students, professors and representatives of the blind will gather in front of the Jefferson Building. And even social activist for the homeless and hungry Mitch Snyder said he might attend . . .

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E BISMARCK TRIBUNE

?, 1985 Vol 112, No. 101 Bismarck/Mandan, N.D. Committed To Excellence

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4/12/85

doors

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Penney's store was 920

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ent low bid of $173,998 ed by Basin Builders, ely by the John Larson d $174,300. The highest was from Associated s. All bidders are from

...interrogation," Howell said. ...this pretty emotional situation." ...minister said in an interview today ...that, at least, the court system did a great "injustice to Gary Datson by sending him back to prison."

She said "it wasn't just my testimony but the testimony of six other alibi witnesses to prove his innocence.

...lured Thursday to free Datson. ...Samuels ruled that Datson "failed to sustain his burden (of proof) and I cannot find that perjury was committed."

"He's innocent! He's innocent!" screamed Webb as she was led from the courthouse Thursday supported by her husband and

(More on RAPE, Page 8A)

Dorgan to tie knot for the third time

Rep Byron Dorgan plans to be married this weekend in Washington state, according to a district staff assistant, Lucy Calautti.

Calautti said Dorgan, who has been married twice, will wed Kim Olson of Washington D.C. However, Calautti said she was unaware of details.

Washington aide Pat Carlson confirmed the Democratic congressman's marriage plans and said Dorgan, 42, plans to be back in Washington by the middle of next week. He said Dorgan has told staff members little about his impending marriage.

Byron considers this a personal matter, Carlson said.

Calautti said she does not know Olson's occupation.

"It's just that Byron is very personal about his personal life," she said. "He doesn't consider this something of public note."

Carlson said he did not know Olson's age, whether she had been married before, or the specific location of the wedding.

Dorgan, who has two children, was elected to the U.S. House in 1980 and was re-elected last November in a one-sided contest over Lois Altenburg of Fargo.



Dorgan is telling little about his marriage plans

A member of the House Ways and Means Commission, Dorgan was defeated in his first bid for a House seat in 1974. Dorgan is a native of Regent and has a bachelor's degree in business from the University of North Dakota and a master's degree from the University of Denver.

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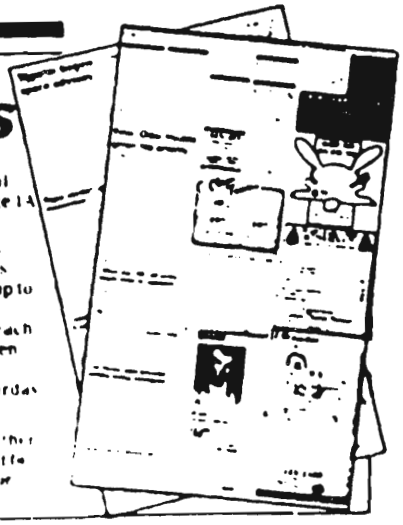
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The change will free Page 2A for national news, which is sometimes crowded off Page 1A by local and state news.

Page 2A will also be the location of a new category of advertising called "Instant Ads." Instant Ads for this page will be accepted up to 11 a.m. on the day of publication, offering merchants and others the opportunity to reach customers much more quickly than has been possible in the past. The deadline is 5 p.m. Friday for Saturday's paper and noon Saturday for the Sunday paper.

To make room for the new obituary, weather and Sunbeam section, entertainment pages will be moved forward two pages in the first section.



PR

12

JUN 1985
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Fargo Forum

Dorgan won't share private life with public

By Cathy Mauk
STAFF WRITER

He'll tell you he lives on Capitol Hill, half a block south of the Hart Senate Office Building, and that for relaxation he plays tennis and basketball, and that the main reason he moved from Dupont Circle to The Hill three years ago was to avoid traffic jams.

But Rep. Byron Dorgan, D-N.D., believes in separating his job from his personal life, and he denied — politely, good-naturedly and quite firmly — The Forum's request for an interview in his home.

"I find that public life is difficult enough without making my private life public, too," Dorgan said.

"You can take a picture of the outside of my house," he said. "I'll give you the keys and you can go in and take pictures of the inside of the house. But you won't take a posed picture of Mr. and Mrs. Byron Dorgan at home. I won't do that."

Nor will Dorgan discuss his April marriage to Kim Olson of Washington. "Things get out and people read them in newpapers" Dorgan said. "That's unavoidable. But I don't think my personal life has anything to do with doing my job as a representative."

Dorgan said that while his home life is off limits to the public and the press, he makes a special effort to be accessible to his constituents. So he lists his phone number in the Washington directory. "And unlike most (congressmen) I don't screen my office calls," he said. "I hate it when you call someone and the receptionist asks 'May I tell him who's calling' or 'May I tell him the nature of your call?'"

Part of what's difficult about public life, Dorgan said, is the pace. "You start out knowing that 30 weekends a year you're going to be working," he said "You fly out to the district Friday, fly around the district Saturday, fly back to Washington Sunday and you end up working seven days a week."

So it's important to set priorities, Dorgan said, and to keep home separate from job. "One thing that's essential in public life is deciding what you can and cannot do," he said. "You could be out at a reception every night. If you're going to have any discipline at all you must set limits on what you can and cannot do.

"Or," he said with a smile, "on what you will and will not do."

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1985 66

N.D. NEWSPAPER
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Fargo Forum

Interviewing Dorgan at home a reasonable request

A quotation by Rep. Byron Dorgan in The Forum states in part, "I find that public life is difficult enough without making my private life public, too."

Maybe Dorgan feels that his recent third marriage to Kim Olson of Washington is a political liability, which he does not care to have aired by the press.

I do not think The Forum was making an unreasonable request when asking for an interview with Dorgan in his home. The function and duty of a newspaper is to keep the public informed.

Dr. H.C. Hawn
Fargo

8904073077

JUN 17 1985

N.D. NEWSPAPER
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Minot News

Anonymous Spouse?

Always adept at handling the media, Congressman Byron Dorgan has brushed aside most inquiries concerning his recent marriage. The press in North Dakota isn't particularly intrusive. Disclosure of non-eventful personal information, whether by public figures or private citizens, is generally a matter of personal choice.

But Dorgan apparently isn't satisfied with the status quo. Annoyed that even a few facts were reported, he is pushing for more than privacy: His new bride would not only be sheltered, but anonymous, as hidden as the wife of Yuri Andropov, whose existence wasn't confirmed until the Soviet leader's death.

Back here in North Dakota, that's a bit hard to swallow. Hardly a week goes by that The News doesn't turn down somebody's request to keep a marriage license out of the paper. It's a matter of public record.

And, to borrow one of Dorgan's favorite pejoratives, it would be "nonsense" to accept his basic premise: that there is no connection between a person's personal and work lives. It just isn't so, especially when you're an elected official.

—

8904073278

STATE OF WASHINGTON DEPARTMENT OF SOCIAL AND HEALTH SERVICES
DIVISION OF HEALTH

504084003

STATE OF WASHINGTON DEPARTMENT OF SOCIAL AND HEALTH SERVICES
VITAL RECORDS

CERTIFICATE OF MARRIAGE

1468 5 09254
STATE FILE NUMBER

COUNTY SNOHOMISH 4-11-85

1 CERTIFY THE PERSONS NAMED BELOW WERE MARRIED ON	2 DATE(MO DAY YR) April 13, 1985	3 COUNTY Snohomish	4 RELIGIOUS/CIVIL CEREMONY(SPECIFY) Religious	4 DATE SIGNED(MO DAY YR) April 13, 1985
5 OFFICIANT Signature X		6 OFFICIANT ADDRESS 215 Muksuteo Blvd Everett, WA 98203		

7 NAME FIRST MIDDLE LAST 8 Byron Leslie DORGAN			9 BIRTHDATE(MO DAY YR) 5-14-42	10 BIRTHSTATE(IF NOT USA GIVE COUNTRY) N.D. USA
11 USUAL RESIDENCE(NUMBER AND STREET) 225 ½ C St. NE	12 CITY/TOWN/LOCATION Wash.	13 INSIDE CITY LIMITS(YES/NO) DC ND	14 COUNTY	15 STATE DC
16 FATHER'S NAME Emmett Dorgan	17 BIRTHSTATE(IF NOT USA GIVE COUNTRY) Jan 3, 1909	18 MOTHER'S MAIDEN NAME Dorothy Bird		19 BIRTHSTATE(IF NOT USA GIVE COUNTRY) Jan 21 1915
20 GROOM Signature X Byron L. Dorgan				20 DATE SIGNED(MO DAY YR) 4-13-85
21 NAME FIRST MIDDLE LAST Kimberly Sue Olson	22 MAIDEN NAME(IF DIFFERENT)	23 BIRTHDATE(MO DAY YR) 08/08/58		24 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA
25 USUAL RESIDENCE(NUMBER AND STREET) 821 C St. NE	26 CITY/TOWN/LOCATION Wash	27 INSIDE CITY LIMITS(YES/NO) DC NO	28 COUNTY USA	29 STATE DC
30 FATHER'S NAME Herman S. Olson	31 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA	32 MOTHER'S MAIDEN NAME Anita J. Joergensen		33 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA
34 BRIDE Signature Kimberly Olson				35 DATE SIGNED(MO DAY YR) 4-13-85
36 WITNESS Signature Ann Marie Neuhe	37 WITNESS Signature Darrell L. Day			
38 COUNTY AUDITOR Signature X Delbert F. Urban				39 DATE RECEIVED(MO DAY YR) APR 16 1985

DSHS 9-70(REV 1-80)

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APCO ASSOCIATES FILE

APCO ASSOCIATES, a Washington, D.C. lobbying subsidiary of Arnold & Porter, a leading Washington law firm, has registered as a foreign agent under the U.S. Foreign Agents Registration Act of 1938, as amended.

The APCO ASSOCIATES registration file, available to the public, establishes that APCO ASSOCIATES is a registered foreign agent for the Canadian timber industry. The APCO ASSOCIATES file is available at:

Department of Justice
Foreign Agent Registration Unit
Library
Room 100
Federal Triangle Building
315 9th Street, N.W.
Washington, D.C.
(near corner of Pennsylvania Avenue).

The library is in Room 100 (on ground floor to the right as you walk into the lobby from the street) and is open from 10:00 a.m. to 4:00 p.m.

The APCO ASSOCIATES file is about ½" thick, making it one of the smaller files in the library. The Clerk on duty (usually one Mary Williams) will copy the file for 10¢ per page while you wait.

If the Clerk says the file is "out" and not available, persistence will usually produce it.

Arnold & Porter itself is also registered as a foreign agent for many foreign entities and has built up quite a large registration file.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 22, 1987

J. Jonathan Schraub, Esquire
Golden, Freda & Schraub, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2251
Bert Rand
Fritz H. Giesecke
Peter M. Lind

Dear Mr. Schraub:

This letter confirms telephone conversations between Richard Rossier and Patty Reilly of this Office regarding depositions in the above-captioned matter. Pursuant to their agreement, these depositions will be held on January 28, 1987, at the sixth floor offices of the Office of the General Counsel. The deposition of Mr. Giesecke will begin at 10 a.m. and the deposition of Mr. Rand is scheduled for 2 p.m.

If you have any questions, please contact Ms. Reilly at 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

9004073281

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: JANUARY 22, 1988

SUBJECT: MUR 2251 - COMPREHENSIVE INVESTIGATIVE REPORT #1
SIGNED JANUARY 19, 1988

The above-captioned matter was received in the Office of the Secretary of the Commission Wednesday, January 20, 1988 at 2:36 P.M. and circulated to the Commission on a 24-hour no-objection basis Thursday, January 21, 1988 at 11:00 A.M.

There were no objections received in the Office of the Secretary of the Commission to the Comprehensive Investigative Report #1 at the time of the deadline.

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION COMMISSION
88 JAN 20 PM 2:36

In the Matter of)
)
Bert B. Rand) MUR 2251
Fritz H. Giesecke)
Peter M. Lind)
Marion Edwyn Harrison)

COMPREHENSIVE INVESTIGATIVE REPORT #1

I. BACKGROUND

On February 24, 1987, the Commission found reason to believe Marion E. Harrison, Bert B. Rand, Fritz H. Giesecke, and Peter M. Lind violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission as a political committee. Also on that date the Commission approved subpoenas for these individuals.

On May 12, 1987, the Commission denied a motion to quash filed on behalf of Mr. Rand, Mr. Giesecke, and Mr. Lind, and authorized the Office of the General Counsel to file suit against Mr. Harrison in United States District Court seeking enforcement of the Commission's subpoena. */ Subsequently, this Office made arrangements with Mr. Harrison, who appeared for his deposition on August 6, 1987.

Protracted negotiations commenced with counsel for the other respondents regarding appearances for depositions and the production of certain documents. On September 16, 1987, counsel submitted a written demand for a release and idemnification from the Commission regarding the possibility of "leaking" of information contained in the subpoenaed documents. Following

*/ Mr. Harrison had failed to appear for his deposition scheduled on April 2, 1987, at the Office of the General Counsel.

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the Office of the General Counsel's response that noted statutory and procedural safeguards afforded materials in the Commission's possession, counsel provided four conditions to be met by this Office before the subpoenaed materials would be produced. Because of these conditions would limit the Commissioners' access to information and sought to restrict materials to be placed on the public record, on November 27, 1987, the Commission approved a letter to counsel rejecting these conditions.

This letter also set a December 10, 1987 deadline for respondents to produce all materials responsive to the Commission's subpoenas and scheduled depositions for December 23, 1987. Materials responsive to the subpoenas were produced on the required date.

In order to accomodate respondents' scheduling concerns, depositions were rescheduled for January 28, 1988. This Office will report to the Commission after the completion of depositions.

8904073284

Lawrence M. Noble
General Counsel

1/19/88
Date

BY: _____
Lois G. Lerner
Associate General Counsel

Staff Person: Patty Reilly

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 1, 1988

J. Jonathan Schraub, Esquire
Richard Rosier, Esquire
Golden, Freda & Schraub, P.C.
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20006

RE: MUR 2251
Bert B. Rand
Fritz H. Giesecke
Peter Lind

Dear Mr. Schraub and Mr. Rosier:

Thank you for your recent cooperation in the sudden postponement of the January 27, 1988 depositions in the above-captioned matter. The Office of the General Counsel would like to reschedule these depositions on any Wednesday, Thursday, or Friday in March or April, except for the week of April 13th. We would prefer Thursday dates, followed by Friday dates. If necessary, depositions can be taken on a Wednesday.

Please confer with your clients and arrange convenient dates with them. It is our preference to take the deposition of Mr. Giesecke first and to then take the deposition of Mr. Rand on a date shortly thereafter. Please offer your proposed dates in writing at your earliest convenience.

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

8904073208 5

MUR 2251
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88 MAR -7 AM 10: 18

GOLDEN, FREDA & SCHRAUB, P. C.

ATTORNEYS AT LAW
SUITE 300
1625 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 939-6000

MICHAEL D. GOLDEN
ROBERT J. FREDA*
J. JONATHAN SCHRAUB*
DAVID A. IRWIN
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MARGARET O'CONNOR*•

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•ALSO ADMITTED IN VIRGINIA
*NOT ADMITTED IN DISTRICT OF COLUMBIA

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6849 OLD DOMINION DRIVE
SUITE 410
McLEAN, VIRGINIA 22101

MARYLAND OFFICE
BARRISTER'S PLACE, SUITE 7
751 ROCKVILLE PIKE
ROCKVILLE, MARYLAND 20852

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(202) 387-6236

March 2, 1988

88 MAR -7 PM 12: 24
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FEDERAL ELECTION COMMISSION

Patricia Reilly, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2251

Dear Ms. Reilly:

This will confirm our telephone conversation today in which we rescheduled the depositions in the above-referenced matter to Thursday, April 7, 1988, at 10:00 a.m. for Mr. Giesecke and to Friday, April 8, 1988, at 10:00 a.m. for Mr. Rand. Please contact me immediately if the foregoing does not conform to your recollection of our conversation.

Sincerely,

Richard T. Rossier

cc: Fritz H. Giesecke, Esquire
Bert B. Rand, Esquire
J. Jonathan Schraub, Esquire

8204073200986

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: MARCH 11, 1988

SUBJECT: MUR 2251 - COMPREHENSIVE INVESTIGATIVE REPORT #2
SIGNED MARCH 9, 1988

The above-captioned matter was received in the Office of the Secretary of the Commission Wednesday, March 9, 1988 at 3:59 P.M. and circulated to the Commission on a 24-hour no objection basis Thursday, March 10, 1988 at 11:00 A.M.

There were no objections received in the Office of the Secretary of the Commission to the Comprehensive Investigative Report #2 at the time of the deadline.

8904073200 87

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88 MAR -9 PM 3:59

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Bert B. Rand	)	MUR 2251
Fritz H. Giesecke	)	
Peter Lind	)	

SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #2

On February 24, 1987, the Commission found reason to believe Bert B. Rand, Fritz H. Giesecke, Peter M. Lind, and Marion E. Harrison violated 2 U.S.C. § 433 and 434 by failing to register and report with the Commission as a political committee. Also on this date the Commission approved subpoenas for documents and depositions.

On May 12, 1987, the Commission denied a motion to quash filed on behalf of Mr. Rand, Mr. Giesecke, and Mr. Lind, and authorized the Office of the General Consel to file civil suit in the United States District Court against Mr. Harrison seeking enforcement of the Commission's subpoena. Pursuant to an agreement of the parties, the deposition of Mr. Harrison was taken on August 6, 1987.

Protracted discussions ensued with the other respondents regarding the scope of the Commmission's subpoena for documents. Because respondents would agree to produce materials only in a manner that would limit the Commissioners' access to documents, on November 25, 1987, the Commission approved a letter to respondents' counsel stating that civil suit would be filed in the event documents were not produced.

Pursuant to an agreement of the parties, materials were produced on December 10, 1987, and depositions were scheduled for

8904073 2088

January 28, 1988. Due to an unforseen exigency, the depositions were cancelled. The parties have agreed to reschedule these for April 7 and 8, 1988.

After conducting these depositions, this Office will report the Commission with appropriate recommendations.

3/9/88
Date

Lawrence M. Noble
General Counsel

Staff Person: Patty Reilly

8904073200899

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LARRY NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS
COMMISSION SECRETARY

MWE

DATE: APRIL 25, 1988

SUBJECT: MUR 2251 - COMPREHENSIVE INVESTIGATIVE REPORT #3. SIGNED APRIL 21, 1988

The General Counsel's report on the above-named matter was circulated to the Commission on a 24-hour no-objection basis at 12:00 noon on Friday, April 22, 1988.

At the time of the deadline there were no objections filed with the Secretariat.

8204073200

GCC # 9483

TRANSCRIPT OF PROCEEDINGS

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- -x
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In the Matter of: :
:
MUR 2251 :
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DEPOSITION OF FRITZ H. GIESECKE

Washington, D. C.

Thursday, April 7, 1988

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9204072093

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

FEDERAL ELECTION COMMISSION

88 APR 22 AM 8:55

In the Matter of	)	
	)	
Bert B. Rand	)	MUR 2251
Fritz H. Giesecke	)	
Peter M. Lind	)	
Marion E. Harrison	)	

COMPREHENSIVE INVESTIGATIVE REPORT #3

On February 24, 1987, the Commission found reason to believe Bert B. Rand, Fritz H. Giesecke, Peter M. Lind, and Marion E. Harrison violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a political committee. Also on that date, the Commission approved subpoenas for documents and depositions.

The deposition of Mr. Harrison was taken on August 6, 1987. Following the Commission's denial of a motion to quash filed on behalf of the other respondents, protracted negotiations ensued regarding the scope of the Commission's subpoena in this matter. Following an agreement of the parties, documents were produced on December 10, 1987. Additionally, after an initial cancellation, the depositions of Mr. Rand and Mr. Giesecke were taken on April 7 and 8, 1988.

We are presently reviewing the evidence obtained so far to determine whether it is necessary to continue the investigation or whether we may proceed to the next stage of the enforcement process.

4/21/88
Date

Lawrence M. Noble
General Counsel

Staff Person: Patty Reilly

8904073201

GCC# 9483

GOLDEN, FREDA & SCHRAUB, P. C.

ATTORNEYS AT LAW
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MARYLAND OFFICE
BARRISTER'S PLACE, SUITE 7
751 ROCKVILLE PIKE
ROCKVILLE, MARYLAND 20852

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SYLVIA LESSE*
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JANICE E. GARLITZ*
RICHARD T. ROSSIER*•
SUSAN A. COBB
HEDY L. NELSON**
PHILIP H. BANE**
SANDRA C. RUFFIN**
MARGARET O'CONNOR**

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*NOT ADMITTED IN DISTRICT OF COLUMBIA

June 10, 1988

88 JUN 10 AM 9:41
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8904073092

BY MESSENGER

Patricia Reilly, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2251

Dear Ms. Reilly:

Pursuant to your request and our telephone discussion earlier this week, I have enclosed the signed original transcripts of the depostions of Bert Rand and Fritz Giesecke that were taken in connection with the above-referenced matter. As you can see, Mr. Rand and Mr. Giesecke have each made a number of corrections to the transcipts of their depositions.

Please contact me if you have any questions with respect to the corrections Mr. Rand and Mr. Giesecke have made to their deposition transcripts.

Sincerely,

Richard T. Rossier

cc: Fritz Giesecke, Esquire
Bert Rand, Esquire
J. Jonathan Schraub, Esquire

FEDERAL ELECTION COMMISSION

- - - - - - - - - - - - - - - - - - - -x
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In the Matter of: :
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MUR 2251 :
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DEPOSITION OF FRITZ H. GIESECKE

Washington, D. C.

Thursday, April 7, 1988

Deposition of FRITZ H. GIESECKE, called for examination pursuant to notice of deposition, at the Federal Election Commission 999 E Street, N.W., Sixth Floor, at 10:00 a.m. before RONALD J. WILSON, a Notary Public within and for the District of Columbia, when were present on behalf of the respective parties:

PATTY REILLY, ESQ.
R. LEE ANDERSEN, ESQ.
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463
On behalf of Federal Election Commission.

J. JONATHAN SCHRAUB, ESQ.
Golden, Freda & Schraub, P.C.
1625 Massachusetts Avneue, N.W.
Washington, D. C. 20036
On behalf of Deponent.

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CONTENTS

WITNESS	EXAMINATION
Fritz H. Giesecke	
by Ms. Reilly	3

EXHIBITS

GIESECKE DEPOSITION NUMBER	IDENTIFIED
Exhibit 1	8
Exhibit 2	24
Exhibit 3	33
Exhibit 5	64

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PROCEEDINGS

Whereupon,

FRITZ H. GIESECKE

was called as a witness and, having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MS. REILLY:

Q We are here representing the Federal Election Commission this morning taking the deposition of Mr. Giesecke in connection with MUR 2251, which is conducted pursuant to the Commission's subpoena power at 2 U.S.C., Section 437-G.

Would you state your name.

A Fritz Giesecke.

Q Are you represented by counsel?

A Yes.

Q Who is your counsel?

A John Schraub.

Q Did you provide any documents to the Commission pursuant to the subpoena in this matter?

A Yes, I did.

Q Did you examine any documents in preparation for

your testimony today?

A For the testimony, I think I read our answer to the complaints.

Q Have you provided to the Commission all documents responsive to the Commission's subpoena?

A That is correct.

Q What is your occupation?

A I am a retired lawyer.

Q And how long have you been retired?

A I just retired within the last year.

Q What did you do subsequent to your retirement?

A Subsequent to my retirement?

Q Before you retired.

A I was in private practice in Washington.

Q Did you have --

A As a sole practitioner.

Q Where were your offices located?

A In Georgetown, 1000 Potomac Street, N.W.

Q How long were you in private practice?

A About seven, eight years.

Q And where were you prior to that?

A I worked for the government for a while. I had

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been previously in private practice also.

Q What agency of the government were you with?

A I was involved in classified work. And if we are going to discuss that, I would have to go off the record and explain that.

Q I don't think that will be necessary. In your law practice prior to retirement, what type of practice did you have?

A General practice with emphasis on international.

Q Did you do any lobbying work?

A Never.

Q Legislative?

A What do you mean?

Q Advising Congressional committees?

A Not at all.

Q Did you do any work with political committees?

A Never.

Q Or any political candidates?

A Never.

Q Did you share any offices with anyone at that address?

A There were several law firms in the same complex

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of offices.

Q Could you identify them, please.

A One was Trammell, Rand, Nathan & Lincoln.

Q Were there any others?

A Yes. There was a Washington branch office of the ~~Schraub~~ Schwabe, Williamson firm. I can't give you the rest of the names and title of Portland and Seattle.

Q Did the DeLong Corporation have an office in that suite as well?

A No. I know nothing about a DeLong Corporation.

Q Were any persons associated with Trammell, Rand also associated with the Schwabe firm?

A Not that I am aware.

Q And in your practice as a sole practitioner, did you receive any sort of referral work from Trammell, Rand?

A Yes.

Q Did you receive work from them on a regular basis?

A It depends on what you mean by regular basis. I would say off and on I received work from them.

Q What type of work would you generally receive from Trammell, Rand?

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A Again, it was a general practice and it is hard to characterize. It was most kinds of general practice law. I did litigation assistance. One of the major cases that I had which I assisted that firm on, I worked on a banking litigation case, for example. Strictly civil.

MR. SCHRAUB: You don't want a full litany of the cases?

THE WITNESS: I would have to think a while before I can give a list of all of the things that I assisted that firm on as distinct from my own cases and my own general practice.

BY MS. REILLY:

Q Did you have a fee arrangement with Trammell, Rand at that time?

A None except each case that I worked for them on, there was a specific fee for that particular work.

Q Was that fee based upon billable hours or was it a flat --

A It was a flat fee.

MS. REILLY: At this time I will hand to the reporter what has been marked as Exhibit 1, and I will hand one to the witness and one to the witness' counsel.

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(Giesecke Exhibit 1 identified.)

BY MS. REILLY:

Q Have you had chance to examine the document?

A Yes.

Q This purports to be a newsletter entitled "Steve Forrester's Northwest Letter" dated June 24, 1985, volume 5, number 12. I will ask you to direct your attention to the last page of the exhibit and the last item which has been -- which came to us with the circling that you see around the last paragraph. It discusses the employment of Kim Olsen with APCO, that is identified as a subsidiary of the Washington D.C. law firm, and states that this person will be lobbying for timber clients on the lumber imports issue.

When did this first come to your attention, this item?

A I can only give you a rough time frame when I first saw this. I would say it was the late summer, early fall of 1985.

Q And what were the circumstances that this came to your attention?

A This newsletter was given to me by Bert Rand of the Trammell, Rand law firm with which I shared offices.

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Q What did Mr. Rand say to you at the time he gave you this item?

A He told me that he had received this from the Schwabe, Williamson firm in Portland, Oregon either on the occasion of giving this to me or perhaps some days before. He had told me that he had learned that a wife of a congressman was a lobbyist for the Canadian timber industry and that he had heard about this from the Schwabe, Williamson firm, and at the same time had received from the firm an inquiry as to what this was all about and what could Mr. Rand tell the firm about what was going on here.

This question was predicated, Rand indicated to me, on the firm's close association with and representation of the Pacific Northwest industry ~~in~~ and the various industry associations.

Q Did Mr. Rand indicate who at the Schwabe firm had made this representation to him?

A Yes. One of the senior partners whose name is ~~Randall~~ Wendell Wyatt.

Q Prior to this time, did you know Ms. Olsen at all?

A No.

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Q Have you ever met her?

A No.

Q Is she considered to be a prominent lobbyist?

MR. SCHRAUB: I object to the question. Considered by whom and what constitutes prominent?

MS. REILLY: It would be known in the trade.

MR. SCHRAUB: In what trade?

MS. REILLY: Lobbyist trade.

MR. SCHRAUB: He testified he does no lobby or --

MS. REILLY: That is the answer.

BY MS. REILLY:

Q Did anything strike you out of the ordinary about this?

A Not at all. On the contrary.

Q "On the contrary" meaning that it was the usual sort of item that would appear in a magazine like this?

A I am not --

MR. SCHRAUB: Did anything strike him out of the ordinary about what?

MS. REILLY: About the item we are discussing, Exhibit 1.

MR. SCHRAUB: Do you understand?

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THE WITNESS: No, I don't.

BY MS. REILLY:

Q I will rephrase the question. Did this news item which appeared in the newsletter here strike you as being something that would not be likely to occur in this sort of newsletter?

MR. SCHRAUB: Do you know what is likely to occur in these newsletters?

THE WITNESS: No.

BY MS. REILLY:

Q Did you discuss this matter with Mr. Wyatt at all?

A Not at that time, no.

Q Did you subsequently discuss it with Mr. Wyatt?

A Months later.

Q What was the occasion of your later discussions with Mr. Wyatt?

A This was a matter between Mr. Rand and Mr. Wyatt as it first came to me as I just explained. I believe in the spring of 1986 when this matter had developed later into a later stage, Mr. Rand was either not in town or unavailable, and Mr. Rand -- Mr. Wyatt, excuse me, had

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occasion to call him about it. And in Mr. Rand's absence, I talked to Mr. Wyatt about it.

Q What was substance of the conversation?

A That conversation had to do with the fact there -- let me retract that and rephrase that to make it more clear.

Mr. Wyatt was expressing that he thought that the timber industry in the Pacific Northwest was very interested in this matter, meaning the lobbying activities of the Olsen/Dorgan team, and that Wyatt himself hoped to be in touch with the press on it. That is the essence of that telephone conversation.

Q Why was the phone call referred to you in Mr. Rand's absence?

A Because Mr. Wyatt knew well that I had been asked by Mr. Rand to look into this matter for him on behalf of Mr. Wyatt as an accommodation to the other law firm.

Q But that was your first conversation with Mr. Wyatt?

A No. I can't say that, because Mr. Wyatt's contact with our firm was frequent. He visited Washington every once in a while and usually came by the firm,

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especially since his branch office was in the same place. And I saw Mr. Wyatt on probably a number of occasions, throughout this period and before.

Q Was this the first occasion, the spring telephone conversation that you had with him, was that the first conversation with him regarding the lobbying activities in question here?

A I believe so, although I may have discussed it with him very briefly in December of '85 because I had made a trip to Portland, Oregon in December of '85 and I know I saw him there at that time. And that was after his original request to Mr. Rand and Mr. Rand's request in turn to ~~my to says~~ me in this matter. So I probably mentioned something to him or he to me. But since nothing had happened, I don't recall any substance of this conversation. 75

Q Why don't we return to the time when you initially saw the item in the newsletter? What was the substance of your conversation with Mr. Rand?

A As I recall, and again I say that I don't recall whether it was exactly simultaneously with him handing me this newsletter or a little bit before he said he received the request from the Schwabe, Williamson ~~storage~~ source and asked 73

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what was going on, is this woman really married to the congressman and lobbying for the timber industry. And Mr. Rand asked me on a very casual basis if I could, again on a casual basis, look into this for him and give him anything that I could to accommodate his friend and colleague and, incidentally, also my friend and colleague in Portland, Oregon, at this law firm.

And I understood this to be exactly what I said it was, an accommodation to another law firm. And I anxiously and eagerly said yes, I would be glad to help you out on this. And not only was I interested in doing so as an accommodation for Mr. Rand, and accommodation for Mr. Wyatt, whom I had known for probably 25 years, but as in my own personal interest.

I have been associated with the Oregon timber industry since virtually birth. I was born in Portland, Oregon and I grew up there. In the depression, my first job was with a lumber products mill, which was the only reason I was able to go to college and get anywhere in life. My entire family lived in Oregon.

I practiced law in Oregon on timber matters, in Astoria, Oregon in the heart of the timber country. The

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firm was involved in timber matters. ~~Randall~~ Wendell Wyatt was the senior partner of the firm at the time that I was in private practice there. I myself and my wife invested in timberlands in Oregon.

And at the time that this request came to me by Mr. Rand, I had for at least five years since the '70s been attempting to turn my timberland investments in Oregon into a retirement fund for which purpose the timberlands had been purchased in the first place. And the timber was maturing in the late '70s and early '80s, and it was our plan to sell it then and build our retirement funds. I am now 65 years old, and at that time it was the time to see to it that this investment and retirement plan bore fruit.

But we could not sell our timber. Nobody could sell any timber in Oregon at that time. In 1985, between 1980 and '85, the timber and saw mill and lumber situation economically in Oregon was so poor that there were pockets of depression in that state where the unemployment rate was 25 percent, which it was at that time in the place where my timber was and where I practiced law.

Throughout this period as I said my timber was not economically salable. And the reason was and the

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industry's position was it was because of the Canadian timber and lumber dumping in the United States, an issue which I discussed at considerable length with Mr. Wyatt on various occasions.

Mr. Wyatt knew of my timber investments. In fact, Mr. Wyatt and I discussed them at the time I made them 25 years ago.

I don't want to go into a lot of detail on the economics aspects ~~on~~ of this unless you want to, but I could go on at great length and describe the depressed economy as a result of what the timber industry and I felt was Canadian timber and lumber dumping in the United States undercutting the market for Pacific Northwest timber.

Q So would it be fair to say that it was an issue of great interest to people of that state, the dumping situation?

A I would say it was of vital interest to the people of that state.

MR. SCHRAUB: That state being Oregon.

THE WITNESS: Washington, of course, was also a state involved in this. It was ~~a~~ of vital interest to me, my personal economic and financial circumstances.

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I am a member and was then of the Oregon Small Woodlands ~~Smallwood Land~~ Association, which keeps me informed on timber market conditions. And I was steadily getting reports from that organization which is made up of small landowners, which is my category as distinct from the large timber associations made up of Weyerhaeuser ~~Warehouser~~ and Zellerbach ~~Sellerbook~~, another timber company.

My timberlands were also a member of the Weyerhaeuser ~~Warehouser~~ Tree Farm System, which meant that Weyerhaeuser ~~Warehouser~~ gave me technical advice and market condition advice. And all through those years that I just described, I was getting nothing but the usual bad reports there is not much of a market. So when this request came, it was precisely during a bad year of the American timber market conditions.

At the same time, the Pacific Northwest timber industry had been engaging for a long time in a very deliberate and vigorous effort to convince either the executive or the Congress, the national government to impose some kind of tariff on these Canadian timber imports, because -- on the grounds that it was dumping in turn on the grounds that the Canadian provinces in British Columbia, for example, were giving through various complex series of

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subsidies in effect giving Canadian trees free to the Canadian lumber mills and thereby enabling them to undercut the American mills and the American timber industry in the American market.

So that was the situation, the circumstance, the atmosphere at the time that this request came to me from Mr. Rand.

BY MS. REILLY:

Q Now you stated that Mr. Rand asked you to do this as a sort of casual accommodation?

A Yes. This was not a legal case. It was not a case for a fee. It was not a --

Q What did Mr. Rand specifically ask you to do?

A He was not specific beyond saying when you have time, if you get a chance, would you look into this and see what is involved? He was not much more specific than that.

Q What did you understand him to want you to do?

A Well, first of all, you have to recognize Mr. Rand was not my boss; I was an independent practitioner. And he was not giving me any orders and just asking me if I would be willing to do this. And I accepted for the reasons that I just gave. I understood from the context of the request,

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obviously, one of the first things you want to establish is whether this is really true; is this lobbyist -- is there a lobbyist working for the Canadians really married to a congressman?

Q At that time had you made any decisions regarding how you would find out that information?

A None whatsoever. I ~~have~~ had no idea.

Q Did you discuss Mr. Rand's request with anyone else?

A No. I do not recall discussing it with anybody else.

Q At the time that Mr. Rand asked you to look into this matter, did he mention that Congressman Dorgan in was a potential senatorial candidate?

A I don't recall that. I don't recall him mentioning Congressman Dorgan at all. I don't recall that.

Q Do you not recall him mentioning Congressman Dorgan in his capacity as a congressman as distinct from the senatorial candidacy?

A I don't understand the question.

MR. SCHRAUB: At the time the first request was made?

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BY MS. REILLY:

Q Right. Was there any mention of the fact that Congressman Dorgan -- of Congress Dorgan himself as an elected official?

A I don't recall that at the time, but I do not recall now how I learned that this lobbyist Olsen was married to Congressman Dorgan. I may have learned that from Mr. Rand -- that is my vague recollection at this point -- who in turn got the information from the Schwabe law firm, because -- well, that is the answer to the question.

MR. SCHRAUB: Just a moment, please.

(Pause.)

BY MS. REILLY:

Q The response in this matter stated that one Peter Lind obtained a copy of the marriage license of Congressman Dorgan and Miss Olsen and he did so in Washington State. Are you familiar with Mr. Lind?

A I know of Mr. Lind as a friend and a colleague of Mr. Rand.

Q Have you previously made his acquaintance?

A I had not previously to that time made his

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acquaintance.

Q Have you had, after making his acquaintance, any business relationships with him?

A None whatsoever.

Q Have you had any social relations with him?

A I saw Peter Lind once at a social occasion with Mr. Rand when he was visiting Mr. Rand. I don't remember when that was.

Q Do you know who requested Mr. Lind to obtain the marriage license in Washington State?

A Yes.

Q Who was that?

A Mr. Rand. He told me so.

Q What was the substance of the conversation you had with Mr. Rand regarding Mr. Lind's obtaining the marriage license?

A Either I or Mr. Rand at the time we initially discussed this or soon thereafter recognized that it may well have been I who suggested it that one needs to determine to accommodate Mr. Wyatt and the ~~lobbying~~ law firm to determine whether the lobbyist is in fact married to the congressman. And Mr. Rand then said, my friend or my

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colleague Mr. Lind can find that out very easily, because our information was that the marriage had taken place in the state of Washington.

Q And what was the source of your information that the marriage had taken place in Washington?

A I don't recall that for certain. But it probably was from Mr. Rand in connection with the initial report that he gave me.

Q Did Mr. Rand tell you the sort of instructions they gave to Mr. Lind regarding obtaining the marriage license?

A I don't recall what Mr. Rand told me about that, but I could only speculate at this point on that.

Q When did Mr. Rand provide the marriage license to you?

MR. SCHRAUB: If you remember.

THE WITNESS: My best recollection is it was probably October.

BY MS. REILLY:

Q Was there any sentiment from Mr. Rand that he did not want it disclosed that Mr. Lind obtained the marriage license in Washington State?

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MR. SCHRAUB: Discloed to whom?

MS. REILLY: To anyone.

THE WITNESS: There was nothing said about that.

BY MS. REILLY:

Q So what you are saying, there was no sense of secrecy regarding Mr. Lind's activities in obtaining the marriage license?

A No.

Q Did you have any discussions with Mr. Rand regarding any expenses that Mr. Lind might incur in obtaining the marriage license?

A None whatever. In fact, it was my ~~insisting~~ understanding in the context of our conversation that Mr. Rand's request to Mr. Lind was simply an accommodation request and that is all.

Q You stated you received the marriage license -- I'm sorry, was it in November?

A I think I said October, but it may have been in November.

MS. REILLY: At this point I will hand to the court reporter what has been marked as Exhibit 2, and I will hand one to the witness.

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(Giesecke Exhibit 2 identified.)

MS. REILLY: Take a moment and review this, please.

BY MS. REILLY:

Q Have you had a chance to review this document?

A Yes.

Q Exhibit 2 --

A Briefly.

Q It is nine pages long, consists of four pages of airline ticket receipts, two pages of American Express receipts, a bill from the Sheraton Bismarck Hotel in North Dakota and two checks on Trammell Rand's account made to Fritz Giesecke.

Let's turn to the ticket if we could, please, which are the first four pages of the exhibit. The ticket looks to travel between Washington, D.C.; Saint Paul; Bismarck, North Dakota; Salt Lake City; Portland, Oregon; St. Louis and back to Washington between the periods of December 1, 1985 and it looks like December 7, 1985.

MR. SCHRAUB: Where was the December 7 date?

MS. REILLY: On the fourth page.

MR. SCHRAUB: I thought -- is this all one trip?

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There are four separate pages.

BY MS. REILLY:

Q Is this a ticket which was issued to you?

A It appears to be so, but I have to say it is a very confusing ticket. I don't recall it exactly. I certainly recall the trip, but I can't tell you much about the technical aspects of the ticket.

Q Let's turn to your itinerary for the period between December 1 and December 8. Do you recall the itinerary you took during that period?

A Yes. I took several trips during a short time period to Portland, and this was one of probably three trips during ~~the~~ this same period of six or eight weeks. Not all of them business trips. My mother was was living in Portland at the time and since died, and I was making trips out there for that reason.

Q Did you have an occasion during this time period to travel to Bismarck, North Dakota?

A Yes.

Q What was the purpose of your trip to Bismarck, North Dakota?

A As the ticket indicates, there were stops at

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Minneapolis, Saint Paul where I was going to see a client. This was essentially a business trip which had been planned between Mr. Rand and myself. We had business in Minneapolis, Saint Paul. And I believe on that trip we also had -- I had business in Salt Lake City and business in Portland, Oregon.

And at the time of the trip, the trip came up, at the time the trip came up -- we had discussed the fact that we had not gotten very far in providing an answer to the Schwabe, Williamson firm on their request, at that point quite some few months before, on the lobbying matter.

And it was probably I who suggested that since I was making this trip anyway, that Bismarck was a short hop from Minneapolis where I would be anyway, and there would be no particular expense or extra time involved if I stopped off at Bismarck to visit the courthouse there to examine some of the public records that were available on the Congressman to see what I could find out about the Congressman's relationship with his wife and to determine whether there might be some information there in the records that would reflect on the Congressman's financial interest, possible timber interest, family ownership of

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lumber mills, the kind of thing that you look for when you don't have anything else.

And it was the only avenue that I could think of at that point to pursue to find out more about what might be going on with this husband and wife, what I considered to be a husband and wife lobbying team in my effort to be helpful to the Pacific Northwest law firm and the timber industry's interest there.

My intention in going to the courthouse there was probably prompted by a newspaper story that I had seen which was in the North Dakota newspaper printed at the time of the Congressman's marriage to the lobbyist in which the lobbyist -- in which the congressman had said in answer to a reporter's questions what my wife -- my wife and what she does or details about my wife are none of your business.

That fact in the newspaper, the newspaper story, plus the report of her lobbying activities and at that point all we had was what was in this newsletter, just the bare fact she was a lobbyist for the Canadians, caused me to conclude at least tentatively that the Congressman was deliberately hiding the fact from his North Dakota constituents that his wife is a lobbyist, which I thought

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in my judgment is a reasonable conclusion to come to on the basis of facts that I had at that time.

And if I could find out more about the Congressman that suggested conflicts of interest of this kind, it would be useful to the law firm in Portland and in turn to the Pacific Northwest timber industry and my financial interests in the timber industry.

Q Did you have any sense of how this would be useful to the Schwabe firm?

A I am not quite sure I understand the question. I thought I just answered that. I could only give you my own personal rationale.

Q Which would be?

A Which would be if I found in the records at the courthouse in Bismarck that, for example, Mr. Dorgan's family owned a chain of lumber stores in North Dakota, I would have thought that would have been of interest in this matter. It would have solidified the Olsen/Dorgan lobbying team and its interest in the lobbying, I would have thought. That is an example.

Q When you suggested to Mr. Rand that you would stop off in Bismarck on your business trip, what was his

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reaction?

A Favorable.

Q How long did you anticipate that it would take you to do the sort of research that you just mentioned?

A A day, or less.

Q While you were in North Dakota, did you have occasion to go to the library, the public clipping library of the Republican state party?

Would you read the question, please.

(The reporter read the record as requested.)

THE WITNESS: Yes.

BY MS. REILLY:

Q And how did you know that the Republican party maintained a clipping service?

A I think I knew that in general just from general knowledge that every state party would keep such a clipping file.

Q Did you have the assistance of anyone in helping you go through the clipping file?

A I had the name of a person in Bismarck that Mr. Rand had given to me, who was -- who Mr. Rand told me was a contact of a lawyer friend of Mr. Rand's whom I could call

8904073221 22

upon if I needed any assistance in my record search. I recall calling that gentleman after I was unable to find much information at the courthouse, where I spent a good deal of time. And he suggested that the public and state committee kept files and that I might find something useful there.

Q Did he accompany you to --

A No.

Q Do you recall his name?

A Yes, I think it was Elkins.

Q Did Mr. Elkins -- did you tell Mr. Elkins why you were looking for information on Congressman Dorgan and Ms. Olsen?

A I simply don't recall.

Q Was it your understanding -- let me withdraw the question.

Did you discuss with anyone while you were in North Dakota the purpose of your visit in terms of trying to find out information regarding Congressman Dorgan and Ms. Olsen?

A No, I don't recall that I laid that out specifically, because it wasn't necessary.

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Q Had Mr. Rand given you any instructions that you were not to discuss this with anyone?

A No. This was my discretion. This was my own judgment as to how I went about things of this kind.

Q Do you recall how big the file was?

MR. SCHRAUB: The clipping file?

MS. REILLY: The clipping file.

THE WITNESS: One inch.

BY MS. REILLY:

Q And was there a lot of material within that one inch regarding Congressman Dorgan and Ms. Olsen?

A There were a number of newspaper articles commenting on precisely the same subject that I mentioned before; namely, the Congressman's secrecy about his wife's activity. And those were in that file among many others.

Q Did you copy anything else other than information about Congressman Dorgan and Ms. Olsen?

A No, I was not interested in anything else. I was interested in the wife and her lobbying activities.

Q Do you recall how much you spent copying these materials?

A How much what?

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Q How much money?

A Nothing.

Q The Republican party let you copy them for free?

A There were two or three ladies in the file room who said here is the file, sit down, pick out what you want and we will make copies for you. I picked out three or four, I believe, articles. And I gave the articles, copies to them and they made copies and gave me the copies and put their copies back in their file and I left. The whole procedure took 15 or 20 minutes, and that was the end of it.

Q Did you conduct any other business in Bismarck while you were there?

A No. I had no other business.

Q Do you recall how long you stayed in Bismarck?

A About a day.

Q Actually, if you could turn to exhibit -- same exhibit, which is Exhibit Number 2, which three pages from the back is your hotel bill, I believe, in Bismarck?

A Yes.

Q I want you to take a moment and sort of look that over. I realize it is not a terrific copy.

A I can't read all of the numbers on it.

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Q I believe it runs from December 3 through December 5th, which would be the time you were there, I presume. Were you reimbursed for any part of this trip relating to your research on the Congressman and his wife?

A To the best of my recollection, the entire trip was reimbursed to me by the law firm.

Q By your lawyer --

A The Trammell, Rand law firm.

Q Were you conducting business for Trammell, Rand the entire trip?

A Yes.

Q Do you recall making a previous statement in this matter that you were not reimbursed for any expenses regarding this?

MR. SCHRAUB: When was that statement made?

MS. REILLY: I will introduce Exhibit 3 at this time.

(Giesecke Exhibit 3 identified.)

BY MS. REILLY:

Q There is a response submitted to the Commission in MUR 2229 and 2251 dated October 24, 1986, signed by you on the last page, I believe. There is a signature with

8904073211 26

your name on the last page and signed by Jonathan ~~Schwabe~~ Schraub. If you turn to page 4, please.

A Yes.

Q Last paragraph has two sentences that I will read. "The only other expenditures in connection with this matter involved incidental disbursements of Mr. Rand and Mr. Giesecke, which they absorbed themselves. No fees were billed or paid by Scott, Harrison & McCleod, Trammell, Rand, Nathan & Lincoln, Mr. Harrison, Mr. Rand, Mr. Giesecke, or anyone else other than to Mr. Butcher."

Can you explain that statement, in light of the fact you were reimbursed by Trammell, Rand.

A I don't see any conflict, and I cannot explain it.

Q In other words, even though you were apparently reimbursed for this trip as you just testified, it would appear to be in conflict with the fact you absorbed all expenses yourself?

MR. SCHRAUB: It is not in conflict, and it is an unfair chracterization. He testified the trip was done, the trip to Minneapolis, Salt Lake City and Portland, on matters unrelated to anything having to do with this. They

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were on business for Trammell, Rand. And he said the whole trip was reimbursed to him. And this paragraph relates just to the Butcher investigation.

But even if you choose to relate this paragraph and the last 12 sentences to the entire matter, it would not be in conflict with the fact he was reimbursed for matters not related to matters we are discussing today.

MS. REILLY: I am confused, I think, because what you just testified as to the fact that you went to Bismarck and you essentially detoured from your other business to pop over and look at what was going on in the courthouse and everything else and that you were reimbursed by Trammell, Rand for that trip. Is that a fair reading --

THE WITNESS: Was reimbursed by Trammell, Rand for the entire trip.

MS. REILLY: At this point, I think we will take a break and give the court reporter a break. And we will probably be through in 10 minutes

(Recess.)

MS. REILLY: On the record.

BY MS. REILLY:

Q Mr. Giesecke, other than going to the courthouse

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in Bismarck and public clipping library in Bismarck, during the course of this travel period between December 1st and December 7th, did you have occasion to make any more inquiries regarding Congressman Dorgan and Ms. Olsen?

A I am not sure I understand the question. You mean during this trip?

Q Right.

A Could you rephrase that.

Q Sure. When you were in Las Vegas, for example, did you obtain --

MR. SCHRAUB: It was not Las Vegas.

MS. REILLY: I could be wrong --

MR. SCHRAUB: Salt Lake City.

THE WITNESS: I never went to Las Vegas.

BY MS. REILLY:

Q Okay. When you were in any other city on this trip, did you have occasion to go to any other resource public facility, library or news office, with the purpose of obtaining information regarding Congressman Dorgan and Ms. Olsen?

A No.

Q Did you subsequently -- did you ever obtain any

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other documents regarding Congressman Dorgan and Ms. Olsen?

A Yes, I subsequently obtained other documents on Ms. Olsen, the lobbyist.

Q What documents were those?

A Those documents were her registration as a foreign agent with the foreign agent registration section of the Department of Justice.

Q And when did you obtain those?

A My best recollection was February, March, of 1986. But I have since seen a copy of the form that was, I believe, attached ~~touched~~ to the complaint in this case requesting the file on the lobbyist Olsen. And it has a date on it, and I would be prepared to accept that date.

Q Let's return for a second. After you returned to Washington from this particular trip that we just discussed between December 1st and December 7th, did you discuss with anyone the documents that you had obtained relative to Congressman Dorgan and Ms. Olsen?

A I don't understand what documents you are referring to.

Q These would be the clippings from the state party and a copy of the marriage license.

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A I did not obtain the marriage license on that trip.

Q Any materials that you obtained at the courthouse?

A I would have to ask you to rephrase the question. I received no documents at the courthouse.

Q When you --

MR. SCHRAUB: The answer is no --

BY MS. REILLY:

Q When you came back to Washington, did you discuss your trip with Mr. Rand?

A Yes.

Q Did you discuss the aspect of the trip that dealt with your efforts in Bismarck to obtain information?

A Yes.

Q What was substance of the conversation?

A I showed him the clippings.

Q What was his reaction?

A I don't recall exactly, but I suppose I could characterize his reaction as well, that is interesting.

Q Did you discuss these clippings with Mr. Wyatt?

A I do not believe so.

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Q Did Mr. Rand tell you that he was going to discuss the clippings with Mr. Wyatt?

A I do not recall that.

Q Do you recall discussing this aspect of your trip relating to the Congressman and his wife with anyone else?

A No.

Q You testified that you went to the Department of Justice to take a look at the public file regarding lobbying activity?

A That is not correct.

Q Could you characterize for us what you did --

A I did not so testify.

Q Could you characterize what you did do at the Department of Justice for us.

A I was at the Department of Justice on a case that I was working on involving foreign agent registrations. I happened to see a file on the library table in the library room of the Department of Justice for the agent registration section entitled "Arnold & Porter." This file was lying there publicly available.

I looked at that file because it occurred to me

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that Olsen, the lobbyist, was connected with Arnold & Porter. As you will recall, the newsletter said that and I knew that. There was a reference in this file to a company called APCO Associates.

Remembering that the information that I had indicated that Olsen was a lobbyist working under the auspices of APCO, I looked for the APCO file among the many files lying on the table, and it wasn't there.

So I asked the clerk to check out the APCO file which I did by way of a form that we referred to before. She got the file and gave it to me. I leafed through it and I found the extensive information filed by the lobbyist Olsen and by APCO Associates about her and APCO's lobbying activity on behalf of the Canadian timber industry.

I was surprised at the extent of the activity reflected in that file, at the pervasivness of it. And I personally considered it an egregious, ethical violation on the part of the Congressman's wife to be so involved.

And I felt in light of the background that I already gave you in my efforts to be helpful to the request from the Portland law firm and in turn to the Pacific Northwest timber industry and in my own financial and

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economic interests and those of my family, that this information should be made available in response to the original request that we had received from the Portland law firm.

Therefore, I asked the clerk to copy the pertinent portions of the file which, as best as I recall, may have amounted to 25 pages or something like that and she did so. And I paid the $3 or whatever it was and I took the papers with me.

Q When you returned to the law firm, did you show those papers to anyone?

A I did not.

Q What did you do with the papers?

A I sat on them. I put them on a little pile of clippings and timber information that I had ~~an~~ accumulated in the corner of the table in my office where all of the other junk that accumulated on this case was. It was not in a case file, as I said before, and I let it sit there. And I didn't discuss it with anybody at all at that point.

Q When did you discuss it with someone?

A As best as I can recall, I discussed it first with Mr. Rand who was away on a trip at that time that I

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got the documents; and obviously, therefore, I could not discuss it with him until he returned. And there was no one else I could discuss it with.

Q What was the substance of the conversation with Mr. Rand regarding the APCO file that you had copied?

A It was simply to apprised him of what I had found and showing him the documents. And he agreed with me that this was a matter that should be brought to the attention of the Portland law firm in response to their original request, because it was very new and very detailed information confirming the initial rather sparse reports that had been received particularly in the newsletter about the fact of this Congressman's wife lobbying activity on behalf of the Canadian timber industry.

Q Did you send this material to Mr. Wyatt?

A I sent some copies of it later on, but Mr. Rand indicated to me, I am quite sure that I recall, if I recall this correctly, that he wanted to get this off to Mr. Wyatt fairly soon. But I cannot say when he did this or even if he did it.

Q So what you are saying is, you were not the person who sent it to Wyatt, but it would have been

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Mr. Rand; is that correct?

A Yes. I considered this was primarily in the first instance a matter between Mr. Rand and Mr. Wyatt, since the accommodation request had first come to Mr. Rand from Mr. Wyatt. And I, throughout this period, did not feel it was my place to inject myself into the process between Mr. Rand and Mr. Wyatt unless it was necessary.

Q What sort of process was going on between Mr. Rand and Mr. Wyatt?

A The "process" may not be the right word. Perhaps "communication" would be better. I cannot tell you what was going on between Mr. Rand and Mr. Wyatt beyond what I was told.

Q Did Mr. Rand indicate to you that he and Mr. Wyatt were communicating frequently about this particular matter?

A No, he did not indicate they communicated frequently.

Q Did he indicate they were communicating at all?

A Yes, occasionally. I have to emphasize this was not a matter on which any of us was spending very much time. This was not a case -- it was not a case for a fee. In

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other words, not the kind of legal case that you set yourself up for spending a lot of time on. We were both very busy. I was very busy in my law practice. I had a lot of other things to do, and this was strictly a sideline that I spent as little time on it as I could, even though I considered it important for my own personal and financial interests as well as from the standpoint of the industry in the Pacific Northwest.

Q After you had shown the APCO file to Mr. Rand, did either of you mention the fact that this may have an adverse impact on Congressman Dorgan's reelection campaign?

A Not in the slightest.

Q Did you mention at that time -- were you aware of the fact Congress Dorgan was up for reelection?

A I don't think I was even aware of it or I suppose -- I suppose it being an election year and following it was an election year, I may have known this in the back of my head, but there was absolutely no conscious deliberation on my part within my own brain or with Mr. Rand or with anyone else about any election aspect involved in this matter.

MR. SCHRAUB: We should state on the record it

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is your inference and not the witness' inference that this would have an adverse effect or any effect to the campaign --

MS. REILLY: The question speaks for itself.

BY MS. REILLY:

Q Did Mr. Rand tell you what Mr. Wyatt's reaction was to the information that was provided regarding Ms. Olsen association with APCO?

A I don't think so.

Q Was there any decision made at that time that further investigation was needed in this matter?

MR. SCHRAUB: What time?

MS. REILLY: At the time the materials were transmitted to Wyatt.

THE WITNESS: No. I don't think so, but I think you would have to be more specific about your question as to the time.

BY MS. REILLY:

Q Which would be when Mr. Rand transmitted these materials to Mr. Wyatt, so we are talking, I would think, approximately March 1986.

MR. SCHRAUB: I am confused now.

THE WITNESS: You would have to go back to the

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original question. I am lost.

BY MS. REILLY:

Q Let's move on and we will take it from here. In March '86, did you transmit any documents to Marion Harrison regarding Ms. Olsen?

A Yes.

Q What documents did you transmit to Mr. Harrison?

A I recall sending Mr. Harrison, probably after a request by Mr. Rand, those documents on the Olsen/Dorgan marriage that we had accumulated at that point.

Q Just so we are clear on this point, what documents did you transmit to Mr. Harrison?

A I believe the marriage certificate papers from the state of Washington, and some other marriage and/or divorce papers that we had accumulated.

Q How had you accumulated those other papers?

A As I recall, the only thing that we had beyond the Washington State papers, the source of which we already discussed, we acquired again through a contact of Mr. Rand some papers from Las Vegas, Nevada.

Q Do you recall when those papers were obtained?

A Not exactly. But it would have been sometime

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between September '85 and March 1986.

Q Were they obtained before you had gone and discovered the APCO information?

A I believe so. I can't be 100 percent sure, but I believe so.

Q Do you recall the name of the person who obtained them?

A Mr. Rand obtained them from a lawyer in Las Vegas.

Q Do you know the name of the lawyer?

A Yes. I think his name was Jones.

Q Would you have the first name?

A It is probably Cliff Jones.

Q Did Mr. Rand know that you were transmitting these documents to Mr. Harrison?

A Yes. I believe he asked ~~my~~ me to do so.

Q What specifically did he ask you to do?

A I can't recall exactly, except that I was to send to Mr. Harrison those documents that I had, that might help Mr. Harrison in his endeavor.

Q Did Mr. Rand indicate that he and Mr. Harrison had already discussed this matter?

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A Yes. I was aware of that.

Q Are you aware of the substance of their conversation?

A Not all of them, no.

Q What substantive areas were you aware of?

A I was aware of the fact that Mr. Rand and I had discussed the advisability of following up information that was in the timber lobbying materials, and that I had commented to Mr. Rand that as he knew and as we had discussed here earlier, that I had never completed the public records search that I had attempted to make during that trip that we discussed earlier and did not have the complete record of the Congressman's other wives, marriage and divorce chain.

I felt that it would be useful that we could complete the record on that in light of this extensive lobbying activity that had now been revealed by the foreign agent registration material. There still might be additional lobbying material or lobbying related material or conflict of interests related material that could be found in the full public record of all of those marriages and divorces ~~in~~ and which record we did not have and still did

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not have. And so Mr. Rand and I discussed maybe we could find a lawyer in North Dakota who could accommodate us and get that complete record that I did not get.

Q Did Mr. Rand indicate to you that there was any sense that any prior spouses of Congressman Dorgan might have similar perceived ethical problems?

A Not at that time. No.

Q Was that the only reason that he offered for continuing to find the chain of marriages and divorces of the Congressman?

A I don't quite follow the question as you put it. He offered?

Q In other words, did Mr. Rand indicate to you that there were any other reasons for finding out the marriage and divorce chain?

A No. In fact, I believe, again if my memory serves me, that it was my idea to complete this record, for the reasons that I have earlier given you.

Q Can you explain why initially you were sort of putting minimal amount of effort into this; in other words, you testified you kept the material in a corner of your office and sort of stumbled upon the APCO file and now it

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was necessary to complete the chain of marriages and divorces.

A I am not quite sure I understand the question, but --

MR. SCHRAUB: Then don't answer the question. The inference is that you stopped spending minimal time and you now spend a lot of time, which is not credible from the testimony you have given.

THE WITNESS: That is not true.

BY MS. REILLY:

Q When you contacted Mr. Harrison, how did you contact him?

A Probably by telephone.

Q Do you recall the conversation?

A I am confused as to what occasion you are talking about.

Q This would be the initial contact that you had with Mr. Harrison regarding the possibility of Mr. Harrison endeavoring to find out more information about the Congressman.

A I don't think I was involved in the initial contact. I believe the initial contact was made by Mr.

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Rand to Mr. Harrison, and mine was in the nature of a follow-up. But I was aware of what was being requested.

Q What was the substance of the follow up conversation that you had with Mr. Harrison?

A I don't believe I had a follow-up conversation with Mr. Harrison beyond passing the material to assist him in his endeavor.

Q When you gave Mr. Harrison the material, did you have any conversations with him regarding what Mr. Harrison was supposed to do?

A I don't think so. I think I ~~have~~ had sent him the material by messenger and did not personally have a conversation with him at that time.

Q Based upon your conversations with Mr. Rand and your suggestion Mr. Harrison should be used or that someone should be used to complete the chain of marriages and divorces, what was your understanding of what was to be done to complete the chain?

A As I said earlier, I believe it was my idea and my intention was that all of the public documents pertaining to the three marriages and two divorces of the Congressman be acquired, including such things as property

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settlements and financial statements, not just the bare bones certificates, if you will, or bare bones judgments, but all of the basic underlying court records that would reveal things like property interests and financial interests with the aim of determining whether there was a continuing conflict of interests, lobbying, Canadian timber connection involving both of these people, namely Olsen and Dorgan.

It was my intention to receive that information on the chance that, as I explained at the outset of our deposition here, there might be something in there that would enlighten on this point. That was to be the focus of Mr. Harrison's effort.

Q Was it your understanding that Mr. Harrison was to go out and hire a private investigator?

A No, it was not. It was my understanding, and I was present at one discussion, one brief discussion at which this was discussed among the three of us, Mr. Harrison, Mr. Rand and myself, that in the first instance it would be nice if we who did not know, Rand and I who did not know a lawyer in that area who could do this sort of thing, if Mr. Harrison could find somebody who

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might complete this record that I just described for us; namely a lawyer, preferably ~~previously~~ a lawyer in the area who knew his way around the courthouses of the appropriate jurisdictions. And Mr. Harrison indicated he did have a lawyer contact in that area.

Q Did you have any subsequent conversations with Mr. Harrison when it became known that Mr. Harrison had not hired a lawyer but in fact hired a private investigator?

A I do not believe so.

Q Other than discussing the use of someone in North Dakota to obtain the chain of marriages and divorces that you discussed with Mr. Harrison and Mr. Rand did you discuss this with anyone else subsequent to the investigation?

A No.

Q Have you had any prior associations with Mr. Harrison?

A I ~~only~~ had met him.

Q And did Mr. Rand indicate to you why he had selected Mr. Harrison to find someone to complete the chain?

A Yes. He had suggested Mr. Harrison because Mr. Harrison had a wide range of contacts among lawyers

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throughout the country.

Q When did you first find out that Mr. Harrison had in fact hired a private investigator?

A To the best of my recollection, it was not until Mr. Harrison sent over the copy of the report that we have subsequently come to know as the Butcher report.

Q What was your reaction at the time when you saw the Butcher report?

A Well, my reaction was a combination of surprise, perhaps a ~~tint~~ touch of dismay and perhaps some disappointment.

Q What was in the report that surprised you?

A The comprehensiveness of it, the length of it, the fact that it went way beyond what I had conceived was to have been its purpose; namely, the completion of the marriage and divorce record which was in the report. But the report went quite far beyond that.

Q What was the basis for your dismay with the report?

A Well, the dismay, I suppose by that word I meant the extraneous what I would characterize as street gossip-type of information that was contained in it.

Q Did you show the report to Mr. Rand?

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A Mr. Rand gave the report to me.

Q Did Mr. Rand share with you his reactions to the report?

A Mr. Rand gave the report to me and said I just received this report from Mr. Harrison, I have not read it, words to the effect as best as I can recall, and without -- please don't hold me to the exact words, but he said something like garbage, but I have not read it, would you mind reading it and briefing me on it, telling me what is in it. And I did so.

Q And what was Mr. Rand's reaction to the briefing that you gave him?

A His reaction was non-committal, no reaction. This is of no help, not productive. That was about it.

Q Did you or did Mr. Rand transmit the report to the West Coast law firm?

A Absolutely not.

Q Did you tell Mr. Wyatt about the report?

A Absolutely not.

Q Did you discuss the contents of the report with anyone?

A No.

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Q Did you call Mr. Harrison and discuss that this had come forward?

A May we backtrack to the previous question. With the exception of Mr. Harrison, the report obviously was discussed with Mr. Rand and with Mr. Harrison. Its existence and so forth.

Q Right. And so what was the substance of your discussion with Mr. Harrison regarding the report?

A Probably essentially the same as that with Mr. Rand that I just described. But Mr. Harrison had no particular interest in the substance of the matter in any case.

Q Did you indicate to Mr. Harrison you were surprised that he had gone to considerable expense on your behalf to hire a private investigator?

A I think both Mr. Rand and I indicated that, but we didn't make a federal case out of it.

Q Did Mr. Harrison indicate that he was confused in that he was not supposed to hire a private investigator?

A No.

Q Was it his understanding that at all times he was supposed to hire a private investigator?

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A I don't know what his understanding was.

Q Did he indicate to you that he tried to obtain a lawyer to do this and could not?

A No, he didn't indicate that. He indicated to me and to Mr. Rand also, I think, that he was in contact with a lawyer. And I believe through whom he had finally gotten to the ~~investigation~~ or, but this was after the fact.

Q What were the substance of your conversations that you had with Mr. Harrison after the fact?

A I recall only one conversation with Mr. Harrison, very brief one in which I indicated, and I believe Mr. Rand was present at this conversation, it may have been the same conversation which I described earlier in which I briefed Mr. Rand on the contents of the report, where we concluded there was nothing of interest in here that was in any way worth pursuing on the issue of the timber lobbying that we were concerned with.

Q Did you or Mr. Rand ever have any discussions with Mr. Butcher directly?

A I did not, and Mr. Rand never told me that he had. I am not aware of any.

Q When the bill came for this, which was over

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$2000, who paid the bill?

A I did not and I don't know. I have to answer I don't know.

Q Did you have any conversations with Mr. Rand regarding payment of the bill?

A No discussion as such, except that I recall his remarking, this is quite a steep bill here that I got from Harrison, from the Harrison firm. And this was much later in the game. Much later.

This was -- I can't date this exactly, and I must say also that was implicit in our whole relationship that is Mr. Rand's and my relationship, that if there were any costs incurred in this matter that I certainly would bear my portion of it, my appropriate portion of it, when and if the time came. And Mr. Rand knows that. He knew it then and he knows it today.

Q But he did not ask you to pay for anything?

A No, he did not ask me to pay for anything at that point.

Q Did he at a later point?

A No. We never discussed it specifically, but again, I want to say there is an implicit understanding

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always that I will bear my share of the costs. And in this connection, I might note that in a relationship of my practice with his practice where I was using his facilities, long-distance telephone and copying machines and so forth, I was billed. But the bookkeeping system was slow, and sometimes I would not be billed for two years after the fact.

Q Did you have access to any of the billings that came in this this matter?

A No.

Q So you would not have seen them in the ordinary course?

A No, I did not.

Q Did you ever discuss with Mr. Harrison the fee that was charged?

A I don't believe so.

Q After the Butcher report was received by you and Mr. Rand, were there any subsequent inquiries made to Mr. Harrison regarding amything that you wanted cleared up?

A At the discussion that I mentioned between Mr. Rand and myself and Mr. Harrison, where I was responding to Mr. Rand's request, to tell me what is in

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this thing, I commented that most of the report was very unevaluated and imprecise, unconfirmed information except for one item and on that item the report itself had noted that some corroboration was being sought and that it might be forthcoming. And I noted that is the only item of the six or eight whatever number it was items in the report that had any conceivably possible substance to it in terms of present corroboration and confirmation and that there was something else coming on this, apparently. That was the substance of the conversation.

Q And what item was --

A The item that concerned

on which some documentation had been provided or was to be provided by Butcher.

Q And how was that related to either the property settlement or to the marriages and divorces?

A It was not related at all at least at that point. I could not determine that it was related.

Q Did you anticipate it would?

A I had no way of knowing.

Q Can you tell --

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A I want to clarify that. I think I said that the report itself indicated that there was some confirmatory information coming on this point, and I noted this as being the only item in the report that appeared to have anything substantial to it.

Q Was there any sense at that time between the three of you, Mr. Rand, Mr. Harrison and yourself, that you should simply end the investigation at this time given the fact that substantial amount, sums of money had been spent?

MR. SCHRAUB: I object. There is no evidence in the record that substantial sums of money was spent.

BY MS. REILLY:

Q I will clarify to say in excess of $2000.

MR. SCHRAUB: I object. There is no evidence in the record that in a calendar year an excess of $1000 was spent.

MS. REILLY: We have not discussed calendar years.

MR. SCHRAUB: There is no record of the amount of money that was spent and whether they constitute substantial our insubstantial. If you want to ask if he thought the investigation should be terminated or if the

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Butcher investigation should be terminated, you can ask that.

BY MS. REILLY:

Q Was there any sense at that time that you should end the investigation?

A As far as I was concerned, the investigation was ended. And there was absolutely no indication to me from either Mr. Harrison or Mr. Rand that anything further should be done.

I had completed the investigation as far as I was concerned at the time that the material was found at the Justice Department. And at that time in March or April of '86, I put all that material together. And that is when the material that is characterized as the timber lobby package was put together.

And if those marriage and divorce records had turned up anything else in the subsequent investigation, it was my intention to do that -- they would have been dealt with separately from the material that had already been put together at that point and which had been sent off to Portland and which, as far as I was concerned, was the substantial material that would aid the effort of the

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Pacific Northwest timber industry in influencing the executive and the legislative in the direction of tarrifs being put on Canadian dumping of timber products.

Q At this meeting, was there any sense that Mr. Butcher should be told to never mind about the airplane, pack up the investigation and go home?

A I believe so. I believe, to the best of my recollection, that Mr. Harrison was going to tell Butcher he didn't want to proceed any further. I simply don't recall anything more than that. This was a very brief meeting. And since nothing of great substance occurred there, nor were there any decisions made there, I don't recollect anything more clearly today.

Q Okay. And how many copies of the Butcher report are there?

A I believe that when Mr. Rand gave me the copy that I saw for the first time, I believe there was one original and one copy, but I can't be sure about that. In any case, as far as I know, I received everything that Mr. Rand received from Mr. Harrison. I took that and it never left my possession again until I had to give it to Mr. Schraub in connection with this case.

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Q Do you know whether Mr. Harrison retained a copy?

A I do not know if he retained a copy or not. He never told me, and I do not know.

Q When exactly did you put together the package that came to be known as the timber package?

A Soon after I had received the material from the Justice Department.

Q So that would probably be sometime in March of '86?

A March, April.

MS. REILLY: At this point, I will introduce an Exhibit 5 this document.

(Giesecke Exhibit 5 identified.)

BY MS. REILLY:

Q Do you recognize this document?

A I can't say for every page, but in general it looks as if it is the document that you referred to as the timber lobby package.

Q And as evidenced on the third page, it is a two-page statement followed by five separate exhibits.

A Well, I can't say that all five exhibits are here, but I will take your word for it for purposes of this discussion right now.

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Q Naturally, we will refer to the first two pages. Did you write this cover memo?

A Yes. I prepared that. At least I prepared the first draft of it. I showed it to Mr. Rand who, as best as I recall, made no significant changes to it.

Q Did you have any discussion with Mr. Rand prior to writing this?

A No, I did not. This was ~~apparently~~ entirely my own initiative. I decided to put this together in this fashion, because I felt that it was important that if there were any way of influencing the tariff issue it could best be done by a package of materials that speak for themselves ~~in~~ and which were summarized in effect in a relatively short covering statement.

And it was designed by me, as I said, for the purpose of making it possible for any recipient, and I had in mind particularly the Portland law firm and in my hope that it would be passed on to the Pacific Northwest industry that the recipients could see this, read it and quickly gain a complete understanding of what was in this package.

Q Did Mr. Rand make any suggestions as to what

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this should contain? Did he make any changes?

A No. This was, as I said, this was my initiative. And I don't recall, as I said, I showed it to him, and I don't recall his saying anything of substance to me at the time.

Q Did you discuss with anyone else the fact that you were putting this package together?

A No.

Q You stated that --

A As a matter of fact, it was a surprise to Mr. Rand when I showed it to him.

Q You stated that you were putting this together for the West Coast law firm. Did you intend at the time you put it together that anyone else should receive it?

A I didn't intend anything beyond having Mr. Rand or myself pass it on to the Portland law firm. But as I said before, it was my intention and my desire or my hope, if you will, that this package would be used by the Pacific Northwest industry, hopefully with the press to help their efforts on the Canadian dumping tariff issue.

And I wrote it in such a manner that it would be particularly intelligible to any journalist who received it.

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That is why I included the attachment, the number or letter I cannot remember, but it is the last one. That is why I included the detailed instructions in it as to how the information in it could be confirmed.

Q What was Mr. Rand's reaction when you showed him the package that you put together?

A I really don't recall any particular reaction on his part beyond ~~the~~ his agreement.

Q Other than sending this to Mr. Wyatt, did you send this package to anyone else?

A Yes.

Q Who did you send it to?

A I sent it to a newspaper in North Dakota.

Q Why did you send it to a North Dakota newspaper if your concern was actually the timber industry?

A By that time this package of materials had been, I assumed, widely distributed. It was certainly in the Pacific Northwest, to the best of my knowledge, and I knew from the one conversation that I had previously described to you that the Portland law firm at least had tried to interest the press in it.

But nothing had occurred, to the best of my

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knowledge. I had seen no results. I had not seen this information appear anywhere.

I discussed it with Mr. Rand and said to him that I was disappointed that our efforts to assist the Portland law firm and my own desires that somehow this material be passed on to the press by them or otherwise be used effectively by the Pacific Northwest industry had not borne fruit and that I really felt so much time had passed and the fact was at that point that the Canadian imposition, that is the U.S. Government ~~of~~ imposition of tarrifs on the Canadian lumber dumping was an issue that was being discussed.

And it was clear to me from following the press on this and from my sources in the Pacific Northwest, as I mentioned before, that this issue was reaching a ~~May MURA~~ denouement in the federal government. And either the Congress or the Executive was going to act on it and decide whether to impose a tariff or not to impose a tariff.

In my lowly position in this whole affair, if you can describe it as such, at least as far as the tariff issue was concerned, I had visions of this high-powered Canadian lobby working hard against the interests of the Northwest industry and my own financial interests and this

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material here which I considered to be damaging to that Canadian lobbying effort sitting buried, unused, and time was passing and June had arrived.

And I said to Mr. Rand, I would like to send this to the press, because I have seen no results and time is a wasting. And he said I have no objection, and so I sent it.

Q So you sent it to the North Dakota newspaper?

A Yes. And to answer -- I neglected to answer part of the question, why to the North Dakota press --

Q Sure.

A I think I already gave the answer. Because it appeared nowhere else that I could discern, and because apparently our colleagues in the Pacific Northwest had done nothing with it that I could see.

And my own assessment or rationale was that maybe they could not interest the press in it. But if any press were interested in it, it would be in North Dakota because of the background that we previously discussed here going back to the original newspaper clippings about the secrecy that this Congressman was maintaining vis-a-vis the press about his wife.

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And here was at least a partial answer to that question which the North Dakota press had raised so often in the past. And I felt if anything is going to publish it, it will have to be the North Dakota press; and then in turn others would pick it up.

That was my rationale and was the only rationale for sending it to North Dakota. Obviously, if the Congressman had been from Montana and all of this had happened in Montana, I would have sent it to the appropriate Montana newspaper.

Q In your response in this matter, you stated that you were personally indignant about the situation that arose that the group was apparently possibly out there lobbying her husband; is that a correct statement?

A I don't recall the personal indignity aspect.

Q Did you find the situation to be offensive?

A I would say that I would not use the term "offensive." I felt that here there was an activity being undertaken against my economic and financial interests in an unethical way, and that by bringing this to public attention it would help the cause of the timber industry effort in getting the tariff imposed.

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Yes, I said in the answer I was shocked by the information, and I reiterate it today, that appeared to establish a serious conflict of interest to the detriment of the U.S. timber industry.

Q In your opinion, reading the package, does it reflect negatively on the Congressman and his wife?

A You are asking for an opinion now?

Q Yes, I am asking for your opinion.

MR. SCHRAUB: If you ever had an opinion.

THE WITNESS: I don't have an opinion on that. I think most people who have an opinion on that, and I think the North Dakota press probably spoke for me in the various editorials that appeared, that it is a bad idea to have a Congressman's wife being a lobbyist for a foreign country and its interests when her own husband is in Congress ~~advocating~~ addressing the same issues about which she's lobbying.

BY MS. REILLY:

Q It is your opinion that most people would feel that way, too?

A Yes.

Q Did you discuss with anyone at the time this went out, Congressman Dorgan was a candidate for reelection?

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A I recall no such discussion. I was not interested in his reelection. I knew nothing about it. I knew nothing about who he was running against, or anything related thereto.

Q Wouldn't the same thing, a package like this that you stated in your opinion would be something which most people would look upon unfavorably, have a negative effect upon a candidate in an election year?

MR. SCHRAUB: Objection. That calls for sheer speculation. I instruct you not to speculate.

THE WITNESS: It certainly would be speculation, and I don't see why I should engage in speculation here. I would like to make one comment about that, though.

This ~~page~~ package, as we have just discussed, was prepared in March, April of 1986. Its preparation, its subsequent sending to the press was all geared to the events of the U.S. government imposition of tariffs on Canadian lumber which were being discussed and which were in the forefront throughout this period.

My intent was to get this out as quickly as possible in order to influence those efforts to get the U.S. government to impose those tariffs.

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If I had wanted to influence an election through this document, and I can't for the life of me see how anyone can interpret this document as an election-influencing document, if I had wanted to influence an election with this document, I would have held it until October of 1986, to two or three weeks before the actual election date and then I would have seen to it that it got into the right political hands and so that it could be most effectively brought to the public's attention at the maximum impact time.

That was not the case here. The entire preparation and dissemination of the document was geared to an industry for a completely difffrent purpose, namely the Canadian timber tariff purpose.

BY MS. REILLY:

Q Did you discuss with Mr. Harrison or Mr. Rand any sense of the timing involved that this could possibly influence an election by sending it to the press in June?

A I recall vaguely at some point before I mailed this to the press, possibly as early as spring of 1986, Mr. Rand commenting to me after the preparation of this package I want to be careful that we don't get ourselves

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involved in any political matter here.

So let me think about this a moment that I could not -- I did not understand what he was talking about, because I had no political purpose other than the international trade political purpose. And he said well, since the Congressman is not running against anybody that we are connected with or involved with, obviously it makes no difference anyway. That was an off-hand comment that he made in answer to the question. I recollect something like that.

Q Was that the only discussion that you had regarding the effectiveness on an election?

A That is all that I can recall. Even that, I recall only vaguely.

Q One of the allegations that was made in the complaint was that there was also an attempt here to negatively influence Kent Conrad, who ultimately ran against Mark Andrews in this election. Were any of your efforts in this matter related to Mr. Conrad?

A No.

Q Since the mailing of the packages in this matter, have you undertaken any further activities relating to

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Congressman Dorgan or Ms. Olsen?

A No.

Q What led you to cease your efforts in looking at their relationship in the lobbying aspect, or any other aspect?

A I am not sure I understand the question, but --

MR. SCHRAUB: Then don't answer it.

BY MS. REILLY:

Q At one point you were out doing some investigation into Congressman Dorgan Ms. Olsen, and at a later point you stopped. What was the reason that you stopped any investigation into Congressman Dorgan and Ms. Olsen?

A At what time or period are you talking about?

Q Well, when did you end your investigation into Congressman Dorgan and Ms. Olsen?

MR. SCHRAUB: Asked and answered. The question was asked and answered already.

BY MS. REILLY:

Q After you submitted the timber package to the press, did you do anything further regarding Congressman Dorgan and Ms. Olsen?

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A No.

Q Have you given truthful and complete answers to all the questions I asked you today --

A Yes.

Q -- other than the ones that you noted were there were questions you didn't understand?

A I don't think so.

Q At this point we will conclude, unless you have cross-examination.

MR. SCHRAUB: No. And we would like to read and sign.

(Whereupon, at 12:30 p.m., the deposition was concluded.)

Fritz H. Giesecke

FRITZ H. GIESECKE

State of Virginia City of Falls Church

Subscribed and sworn to before me this 8th day of June, 1988.

Nancy B. Glynn
Notary Public

My Commission Expires 11/26/91

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, R. J. WILSON, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Notary Public in and for the
District of Columbia

My Commission Expires MARCH 14, 1991

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EX 1 4/7/88



STEVE FORRESTER'S

NORTHWEST LETTER

FROM WASHINGTON, D.C.

Vol. 5, No. 12 Copyright 1985, Steve Forrester June 24, 1985

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BONNEVILLE LOCK REMAINS ALIVE IN SENATE SUPPLEMENTAL APPROPRIATIONS BILL

Following a meeting between Sen. Mark Hatfield and Office of Management and Budget Director David Stockman, the Reagan Administration has lifted its opposition to authorization and partial funding of the new navigation lock at Bonneville Dam in the Supplemental Appropriations Bill. Hatfield's language in the bill would fund Bonneville and 24 other water projects only after the Corps of Engineers has negotiated a cost-sharing arrangement with local parties. In the case of the Bonneville Lock, it is unclear who those parties would be, but Hatfield and others speculate that they might include the states of Oregon and Washington or various port districts.

Prior to final passage by the Senate, Hatfield added an interesting twist to the cost-sharing language by adding a sunset provision. In other words, the Corps of Engineers must negotiate its cost-sharing agreements by June 30, 1986. That amendment is clearly aimed at the Corps' ability to stall a project.

Hatfield clearly has the administration where he wants it. The supplemental, as passed by the House, already includes several military items such as aid to Jordan and the Contras in Nicaragua, which Reagan wants.

It will remain for Hatfield to keep the lock's funding in the bill during the House-Senate conference. Last year, House Democrats caved in on the issue leaving Hatfield angry. "I'm only hopeful that Democrats in the House will show courage this time," said Hatfield last week.

Another big Northwest item in the Supplemental is construction of a low-level sediment cachement dam in the Mount St. Helens area, to which the House has already agreed. The Senate bill includes another House-passed item: language which requires congressional approval before any funds may be spent to implement a land swap between the Forest Service and the Bureau of Land Management.

TIMBER ISSUE FLAMES: CONGRESS PUSHES WHITE HOUSE AS CANADIANS COUNTERPUNCH

At the behest of Rep. Larry Craig of Idaho, a timber summit is held this Tuesday in the Capitol involving congressmen and senators and three key members of the Reagan administration. During the 45-minute session, members will pressure the administration to get tough with the Canadians, threatening to pass one of three major bills now in the hopper.

Northwest members will probably dominate the gathering numerically, but others will attend from the Southeast, New England and the Southwest. Administration officials on hand will include Commerce Secretary Malcolm Baldridge, congressional liaison Max Friedersdorf and the new U.S. Trade Representative, if he has been confirmed.

Meanwhile, the Canadians have abandoned their reluctance to speak publicly about the issue. On June 11, five spokesmen led by Richard Herring, assistant

Exhibit #1

deputy minister of the Canadian Forestry Service, met the Canadian and U.S. press at the Canadian embassy. The mere fact that the embassy convened this session indicates that Canada believes the situation in Congress has become markedly more serious.

The group tried to dispel what Herring called four myths perpetrated by the U.S. lumber industry and by various congressmen. The myths, as identified by the Canadians, were that:

-- Canadian timber stumpage is subsidized by the government;
-- Canada's share of the U.S. lumber market has increased dramatically;
-- Canada's lumber industry is expanding while America's is shrinking; and
-- Canada is not using responsible forest practices, most notably in reforestation of its cut-over timber lands.

If a representative of the U.S. lumber industry had been present, there would have been a lively debate on at least three of the four points. That is not to detract from the Canadians' presentation, which was effective. Their most convincing argument regarding the subsidy question was their reference to the 1983 ruling by the U.S. Department of Commerce. As a result of its investigation, the International Trade Administration found that any subsidy to Canadian lumber was less than one percent of the cost of lumber sold.

The Canadians are worried about three bills. Legislation sponsored by Rep. Don Bonker would establish a one-year period for negotiations between the two governments. If no agreement were reached at the end of that period, a temporary 10 percent tariff would be placed on Canadian wood products and the definition of subsidy would be changed to include below-market stumpage pricing. The bill sponsored by Rep. Sam Gibbons, R-Fla., would amend the Tariff Act concerning countervailing duties applied to natural resource imports. That of Congressmen Jim Weaver and Larry Craig would restore the level of Canadian lumber imports to a historic, lower level than it is now.

The Gibbons bill most alarms the Canadians, because it would redefine subsidies in international trade of natural resources products. Passage of the Gibbons bill would make it easier for the U.S. lumber industry to bring its case before the U.S. International Trade Commission or the Department of Commerce.

An aide to Rep. Bonker says that, "There is no doubt that the Gibbons Bill will be reported out of the House Ways and Means Committee."

The Canadian Embassy has taken the extraordinary step of communicating its displeasure with the Gibbons bill in a June 7 note to the U.S. State Department. "It is the Canadian government's view that the proposals contained in this bill represent a fundamental and potentially dangerous departure from longstanding U.S. and international practice regarding the definition of what constitutes a subsidy," states the diplomatic note.

The Canadian note also raises the spectre of retaliation. "In an immediate sense, U.S. exports of textiles and petrochemicals would be put at risk through the regulation of natural gas prices, agricultural products through the pricing of water and grazing rights, and manufactured goods of all description through regulated rates."

As this note indicates, nothing less than U.S.-Canadian trade is at stake in how this matter is handled. The Canadian message is quite simple: We currently have a major trading relationship, but action against our lumber exports to your country could spark a trade war.

PIECES OF THE PUZZLE

DAVID WHITNEY OF THE OREGONIAN LEARNS THAT REP. JIM WEAVER has borrowed more than $81,900 from his own campaign funds. While Weaver's loan seems not to be illegal under federal law, it may conflict with House rules, and the specialists whom Whitney interviewed knew of now such precedent. Weaver said the loans were made to him so he could invest the money for the campaign.

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WHEN A LONG-AWAITED JOINT HEARING INVOLVING REP. JIM WEAVER'S subcommittee was convened recently, Weaver was nowhere to be found. Fisher Broadcasting's Tim Hillard discovered that Weaver's Eugene staff didn't know where the congressman was and his D.C. staff also did not know his whereabouts.

TWO NORTHWEST POLITICAL OPERATORS HAVE TEAMED UP under the existing firm of Northwest Strategies, Inc. Len Bergstein, founder of the firm and resident of Portland, has entered an agreement with Ron Dotzauer, the former auditor of Clark County, Wash. Dotzauer will open a Northwest Strategies office in Seattle. The firm specializes in government relations, strategic planning and marketing. Dotzauer ran the late Sen. Henry Jackson's offices in Spokane and Seattle and he was campaign manager for Jackson's final campaign. Bergstein was an aide to former Oregon Gov. Bob Straub and to Neil Goldschmidt while he was U.S. transportation secretary.

REP. DON BONKER'S PRESS SECRETARY, HEIDI HUGHES, HAS LEFT to work for the Montgomery County Cable System in community relations. Bonker is looking for a replacement.

SEN. SLADE GORTON AND REP. MIKE LOWRY ARE FACING each other across the table in the House-Senate Conference Committee on the Budget. During a recent interview on "Northwest Week in Review," Lowry left little doubt that he is itching to run against Gorton. Asked by Norm Brewer of Gannett how he would go about running against Gorton, Lowry said, "I've been more effective than Slade." Lowry's reference was to the Export-Import Bank's direct loan program which is in the House-passed budget, but not in the Senate's. The loan program is important to the Boeing Co. For Northwest correspondents, Lowry's shot at Gorton also referred to the line which Gorton worked on Lowry during the Lowry-Dan Evans race for the Senate of 1983. Gorton told reporters assembled in his office that Lowry had been the least effective member of the Washington state House delegation.

WASHINGTON STATE HOUSE DEMOCRATS ARE GETTING A CHUCKLE OUT OF a two-page press release which Sen. Slade Gorton issues to herald a ship overhaul at a Seattle yard. One veteran points out that the contract is the kind of thing that would have rated a paragraph announcement from the king of pork, former Sen. Warren Magnuson. The other irony, of course, is that Gorton ran against Magnuson as a kind of anti-pork, cut-the-budget candidate who wasn't gave every indication that he wasn't interested in the appeal that federal largesse holds for the voters.

THE NATIONAL GOVERNORS ASSOCIATION AUGUST MEETING IN BOISE will be a showcase for Idaho Gov. John Evans, who is getting ready to run against Sen. Steve Symms.

THE INTERIOR APPROPRIATIONS BILL PASSED BY THE SUBCOMMITTEE last week includes $3.4 million for purchase of timber rights of a Red Cedar grove to increase the size of the Willapa National Wildlife Refuge on Willapa Bay in Southeast Washington state.

REP. AL SWIFT HAS HIRED AN ACTING PRESS SECRETARY as Sara Lee departs. John O'Leary comes to Swift from prior service with former Washington state Congressman Lloyd Meeds and Mike Barnes, a Maryland congressman.

IDAHO'S REPUBLICAN SENATORS AND CONGRESSMAN HAVE not been informing Democratic Rep. Richard Stallings of some recent agency briefings.

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THERE ARE 1,172 NUCLEAR WARHEADS IN WASHINGTON STATE, according to a recent study by the Institute for Policy Studies. That ranks Washington fifth among states housing warheads.

CONGRESSMAN LES AuCOIN IS ANGRY AT AN ASSERTION in The Oregonian that he led Rep. Bob Smith to vote against the Bonneville Lock on an amendment to the Supplemental Appropriations Bill. Both Bob and Denny Smith voted against the lock and Rep. Jim Weaver did not vote on the amendment. Weaver says he had left town believing there would be no more important votes.

Titled "AuCoin shares blame," the editorial in The Oregonian asserts that AuCoin did not fill Bob Smith in completely on what the amendment meant. "This is just bizarre," says AuCoin. "After giving an arm and a leg to get the lock included, they suggest that I would throw it all down the drain in an attempt to embarrass a member with whom I had no beef."

For his part, Bob Smith writes in his weekly newspaper column that the lock should go through the normal committee authorization process and not be authorized on an appropriations bill.

THE CAPITOL HILL RESIDENCE OF FRESHMAN CONGRESSMAN JOHN MILLER is featured in the Washington Home section The Washington Post. The section runs full color photos of the redone backyard of the Miller's Capitol Hill home.

THE SPECIAL SUBCOMMITTEE ON TRADE WITH CHINA, chaired by Rep. Al Swift, has been given a two-year extension on its life by Energy and Commerce Committee Chairman John Dingell, D-Mich. Since Swift has no chairmanship of a permanent subcommittee, this is an important development for him.

THE SIERRA CLUB JUMPS INTO THE BLM-FOREST SERVICE land swap issue, arguing that the proposal is an attack on public land wilderness. The Sierra Club says that buried in the land swap proposal is a provision called "administrative release," which could be used to release BLM wilderness study areas for development once they had been transferred to the Forest Service.

KING TELEVISION WILL HAVE A FULL COMPLEMENT OF REPORTERS within about one month. George Snyder, a reporter at KING-TV in Seattle has been chosen to join Bureau Chief Andy Beers and correspondent Tom Ackerman. Snyder recently won two of Seattle's Emmies for his documentary titled "Timber, Fall of the Giant." Snyder will arrive here July 27.

FOURTH EDITION OF GERRY FRANK'S GUIDE TO NEW YORK CITY will be out in September. Frank is administrative assistant to Sen. Mark Hatfield.

LISTENERS IN THE PORTLAND METROPOLITAN AREA MAY HEAR "Northwest Week in Review" in its entirety at 7:30 pm Mondays beginning July 1 on KOAP-FM (91.5 FM). The station also might continue to broadcast an abbreviated (15-minute) version of the show on Wednesdays at 12:10 pm.

CORRECTION: The last issue reported that Kim Olsen is now associated with the law firm Covington & Burling. She is associated with APCO, a subsidiary of the Washington, D.C., law firm, Arnold & Porter, where she will lobby for Canadian timber clients on the lumber imports issue.

Steve Forrester's Northwest Letter is mailed under first-class postage from Washington, D.C. It is published bi-weekly except during long congressional recesses. Subscription price is $98 per year. To subscribe, contact Steve Forrester at 210 Seventh Street, S.E., Box F8; Washington, D.C. 20003, or call 202-543-1878.

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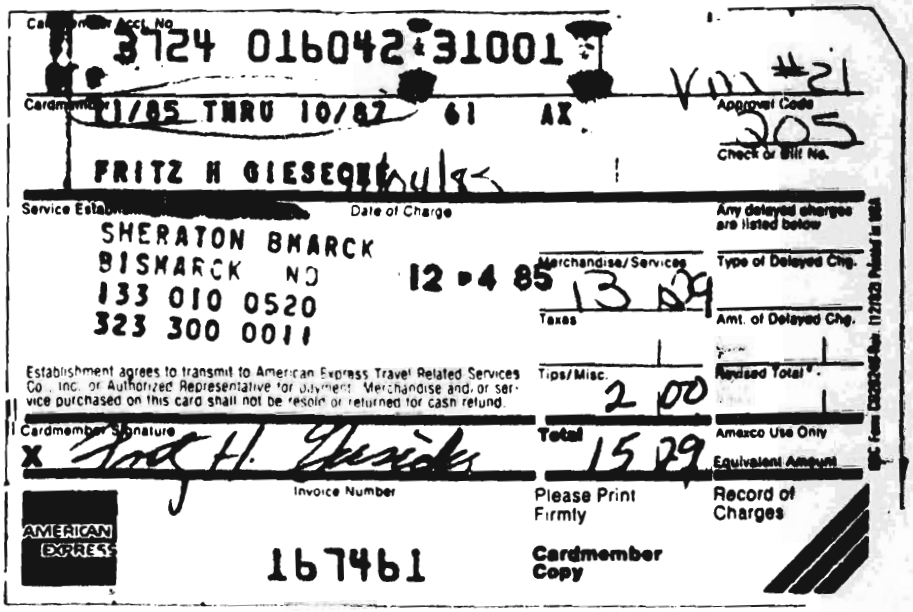
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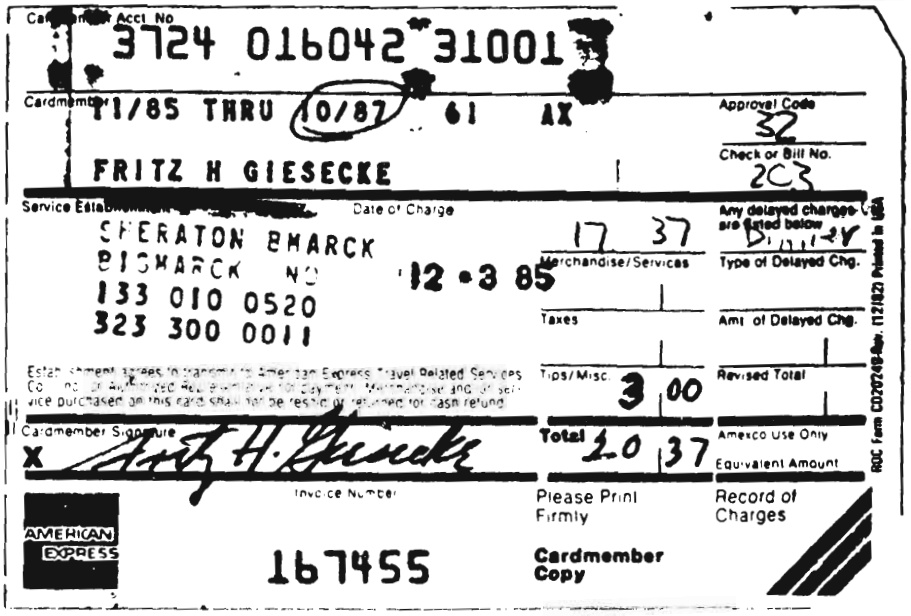
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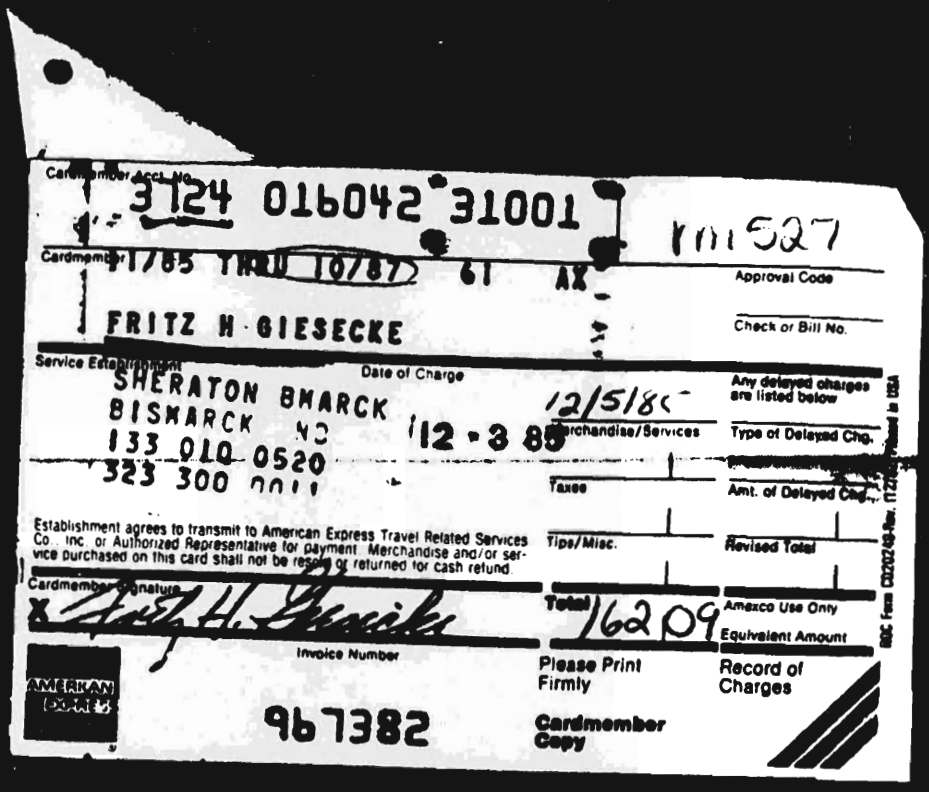
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	LONG DISTANCE				
	LONG DISTANCE	#3032229981			
	LONG DISTANCE				
	LONG DISTANCE				
	LONG DISTANCE				
	LOCAL CALLS	Local calls			
	MISC	527			
	MISC	527			
	LOCAL CALLS	Local calls			
	MISC	527			
	MISC	527			
	LONG DISTANCE				
	LONG DISTANCE				
	MISCELLANEOUS EXPENSE				

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9-0407021180

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TRAHMELL, RAND NATHAN & LINCOLN
1008 POTOMAC ST., N.W., SUITE 302
WASHINGTON, D.C. 20007

№ 1996

~~15-52~~
540

DECEMBER 30, 85

ERITZ GIESECKE 79.93

SEVENTY-NINE AND 93/100 ----------

NSGT BANK, N.A.
WASHINGTON, D.C. 20000

Frank O'Farrell
Shirley J. Rand

⑈001996⑈ ⑆054000522⑆ 05-20&2755⑈

LAW OFFICES
TRAHMELL, RAND NATHAN & LINCOLN

DATE	ACCOUNT	DESCRIPTION	AMOUNT
12/30/85		Reimbursement (Charge W. Timber/McFadden)	$79.93

8204078218I

LAW OFFICES
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1600 POTOMAC ST., N.W., SUITE 502
WASHINGTON, D.C. 20007

№ 1964

15-52
640

DECEMBER 19, 85

FRITZ H. GIESECKE 193.61

ONE HUNDRED NINETY-THREE AND 61/100 ----------

NS&T BANK, N.A.
WASHINGTON, D.C. 20005

Shirley J. Rose

⑈001964⑈ ⑆054000522⑆ 05⑈20627558⑈

LAW OFFICES
TRAMMELL, RAND, NATHAN & LINCOLN

DATE	ACCOUNT	DESCRIPTION	AMOUNT
12/19/85		Reimbursement due on trip of 12/1 - 12/7/85 (Charge Western Timber/McFadden)	$193.61

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EA 3
4/17/87

GCC#1333

AGC/Coleman

GOLDEN, FREDA & SCHRAUB, P. C.

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October 24, 1986

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HAND-DELIVERED

Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: (1) MUR #2229
(2) MUR# 2251

Dear Mr. Steele:

This law firm represents Mr. Bert B. Rand who is named as a Respondent in MUR# 2229 and MUR# 2251 and Mr. Fritz H. Giesecke who is named as a Respondent in MUR# 2229. Because the two (2) Complaints relate to the same occurrence and involve the same parties, this response is submitted on behalf of Mr. Rand for both Complaints and on behalf of Mr. Giesecke for MUR# 2229.

Both Complaints should be summarily dismissed under the procedures specified in 11 C.F.R. § 111.7, inasmuch as both fail to state any reason to believe any federal election law or regulation has been violated by any of the

Exhibit #3

Respondents.1/ The claims in these Complaints against these Respondents are frivolous and merit summary dismissal.

I. ISSUE PRESENTED

The Complaints raise only one issue that could fall within the legal jurisdiction of this Commission. The issue presented is this:

> Whether the actions of private citizens (for whatever reason undertaken) in assembling publicly available documents and submitting the same to a newspaper which then determines in its own editorial discretion that the information submitted is newsworthy and accordingly directs its own reporters to prepare news stories and prints the same, is violative of any federal election law.

Far from violating any election law, such activities fall squarely within the protection of the First Amendment. (See, Legal Analysis Section IV, infra at p. 7).

Other "issues" purportedly raised by the Complaint are in fact non-issues and without any legal significance to the business of this Commission. These "issues" - - really non-issues - - include the background report prepared by Mr. Butcher; Mr. Conrad's wholly unsupported allegation that

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1/ In fact, the only violation that is evident is that of the Complainants in MUR# 2229 in distributing to the working press verbatim copies of this Complaint. Such action is in clear contravention of 11 C.F.R. § 111.21(a). These Respondents respectfully request that the Commission investigate the circumstances surrounding the public disclosure of the Complaint in MUR# 2229 and take appropriate action against Complainants for their violation of the regulations in this respect. The immediate dissemination of the Complaint in MUR# 2229 to the working press highlights the real purpose behind such a frivolous document. It is simply another step in Complainants' continuing effort to influence the upcoming North Dakota political election by implying to the press that Respondents have violated federal election law and that this can be tied to the incumbent Republican Senator Mark Andrews.

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he was investigated by someone; and inferences and innuendos with respect to alleged, but totally unsupported and untrue, relationships between these respondents and respondent People for Mark Andrews. These matters are raised by Complainants for political advantage and do not belong before this Commission. (See, Non-issues, Section III, infra at p. 6.)

II. FACTS

The facts relevant to this matter are clear and simple.

Mr. Bert B. Rand is an attorney and a partner in the law firm of Trammell, Rand, Nathan & Lincoln in Washington, D.C., where he has practiced since 1946. At no time has he engaged in political affairs. Mr. Fritz H. Giesecke is an attorney who maintains an independent practice in which he has often been associated with Trammell, Rand, Nathan & Lincoln. Both Mr. Rand and Mr. Giesecke have had close associations with the timber industry, and Mr. Giesecke is an Oregon timber owner. Over the years Mr. Rand worked closely with major west coast law firms on matters related to the timber industry, including close affiliation with the Portland and Seattle law firm of Schwabe, Williamson, Wyatt, Moore & Roberts.

In the fall of 1985, the Schwabe law firm transmitted to Mr. Rand a copy of a timber publication called "Steve Forrester's Northwest Letter". In this publication, Ms. Kimberly Sue Olson was reported to be a lobbyist for the Canadian timber industry. Mr. Rand was asked if he knew or could determine whether or not there was any truth to the rumor that Ms. Olson was now married to a Congressman from North Dakota who was a member of the House Ways & Means Committee which was considering timber related issues. Numerous articles were then appearing in such publications as the New York Times concerning the dispute between the U.S. and Canadian timber industries over alleged subsidies. (It is noted that on October 16, 1986 the U.S. Department of Commerce levied a tariff of 15% against Canadian Timber Imports based on Canadian Government subsidies.)

Mr. Rand asked Mr. Giesecke to look into this matter as an accommodation on both their parts to the west coast law firm. Neither Mr. Rand nor Mr. Giesecke was ever "retained" by anyone in this matter and there was no intention of charging anything to anyone for this service and nothing has

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ever been charged. Mr. Giesecke obtained from the public clippings library maintained by the North Dakota Republican party (hence the numerical code of which complaintants make so much) published news clippings with respect to Mr. Dorgan, and Ms. Olson. In addition, Peter Lind, as an accomodation to Mr. Rand, obtained the public marriage license documents maintained by the State of Washington. These materials were mailed by Mr. Rand to the west coast law firm.

In or about March 1986, Mr. Giesecke examined the public records of the Department of Justice concerning Ms. Olson and her lobbying activities on Capitol Hill. He was shocked by information which appeared to establish a serious conflict of interest, to the detriment of the U.S. timber industry.

When Mr. Rand returned from a trip to South America, in or about March 1986, he and Mr. Giesecke discussed the conflict of interest matter and agreed that it would probably be of importance to the timber industry. They felt it important to ascertain whether Ms. Olson or Mr. Dorgan were involved in such activities in North Dakota, and asked Mr. Marion E. Harrison, an attorney with a wide acquaintance in that area, if he could identify anyone in North Dakota who could make inquiries in this matter.

In or about June of 1986, Mr. Harrison furnished a report to Mr. Rand prepared by a North Dakota private investigator, William Butcher. The Butcher report did not contain information relevant to the conflict of interest question and was therefore of no interest to Mr. Rand or Mr. Giesecke. Accordingly, the report was shelved. The report was never made public or used for any purpose in any way. Mr. Harrison submitted invoices which his firm had paid to Mr. Butcher in the amount of approximately $2,000.00. Trammell, Rand, Nathan & Lincoln reimbursed Harrison's law firm, and charged this expenditure to Mr. Rand, personally. No one has ever reimbursed Mr. Rand nor has he ever requested reimbursement. The only other expenditures in connection with this matter involved incidental disbursements of Mr. Rand and Mr. Giesecke, which they absorbed themselves. No fees were billed or paid by Scott, Harrison & McCleod, Trammell, Rand, Nathan & Lincoln, Mr. Harrison, Mr. Rand, Mr. Giesecke, or anyone else, other than to Mr. Butcher.

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In or about June 1986, at the request of Mr. Rand, Mr. Giesecke sent to the west coast law firm, for whatever interest they might have, a copy of the public documents obtained. These included:

1. New York times newspaper clippings describing the Canadian - U.S. wood export problem in the light of imminent session of the United States Congress.

2. Copies of extracts from APCO Associates file at the Department of Justice Foreign Agents Registration Unit showing APCO Associates and its employee Kimberly Sue Olson's congressional lobbying activity on behalf of Canadian timber interests during the Fall of 1985.

3. Copies of newspaper clippings indicating sensitivity of Congressman Dorgan to maintaining secrecy concerning his wife.

4. A copy of the marriage certificate of Byron L. Dorgan and Kimberly Sue Olson.

At the same time, Mr. Giesecke expressed his personal indignation with respect to the information which he had discovered, and with Mr. Rand's agreement, mailed a copy of these public documents (hereinafter the "timber lobby package") to the press. On June 29, 1986, the Bismarck Tribune, apparently having made its own determination of the newsworthiness of these public documents, published at least part of the material in articles authored by its own reporters.

Neither Mr. Rand nor Mr. Giesecke have, in any way, made or directed to be made, any inquiries concerning Mr. Conrad, Mr. Dorgan's successor as North Dakota State tax collector.

At no time was Senator Andrews made aware of the inquiries or the interest of Mr. Rand and Mr. Giesecke in the alleged timber lobbying activities of Ms. Olson and Mr. Dorgan, which they believed represented a conflict of interest which required public dissemination.

Mr. Rand and Mr. Giesecke restate that at no time, have they made inquiries as to Mr. Kent Conrad and the fall election in which he is a candidate. They had no interest in this gentleman and did not even know his name until recently.

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Neither Mr. Rand nor Mr. Giesecke had ever heard of an organization called "People for Mark Andrews" until this Complaint was filed. Further, at no time were either Mr. Rand or Mr. Giesecke acting as agents for, on behalf of or in coordination with "People for Mark Andrews" or the North Dakota Republican State Committee.

III. NON-ISSUES

Before we turn to the legal analysis, we want to address and dispose of the "non-issues" which permeate the Complaints, are wholly beyond the purview or interest of this Commission and are designed to obfuscate the simple, protected activity engaged in by Messrs. Rand and Giesecke.

First, the Butcher investigation. Mr. Butcher conducted a legal, routine, public background check on Mr. Dorgan and his possible involvement in foreign timber import issues.

Mr. Butcher has informed the Commission that his investigation was commissioned by Mr. Harrison as an inquiry into Mr. Dorgan's background with the emphasis on information relating to Ms. Olson, Mr. Dorgan's wife, and her representation before Mr. Dorgan of foreign agricultural and mining interests.

When submitted, the Butcher report was found to be irrelevant to the question of Mr. Dorgan's alleged conflict-of-interest. Accordingly, it was shelved. To the best of the knowledge of these Respondents the Butcher investigation has never been disseminated to anyone for any purpose, nor was it used by these Respondents, or to their knowledge anyone else, in any other way for any other purpose. Complainants do not and cannot allege any evidence to the contrary.

In terms of this Commission's jurisdiction and interest, the Butcher investigation is a non-event.

The second non-issue is Mr. Kent Conrad. Mr. Conrad is a pure volunteer. Mr. Conrad was (and is) of no interest or concern whatever to Mr. Rand or Mr. Giesecke. To their knowledge, Mr. Conrad has no relationship or bearing on the timber lobby issue and there was never any need, any decision or any mandated effort to conduct any "investigation" related

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to Mr. Conrad. No information with respect to Mr. Conrad was ever disseminated to anyone except for one factual sentence in the timber lobby package that identified Mr. Conrad as Mr. Dorgan's successor and now a candidate for the United States Senate.

Mr. Conrad's efforts to inject himself into this matter is obviously promoted for his personal political purposes. His thinking is obvious. Mr. Rand and his wife maintain a social acquaintance with Conrad's opponent, Senator Andrews and his wife. From this Conrad assumes (and requests that this Commission assume) a relationship between Mr. Rand and the "People for Mark Andrews" committee and accordingly charges this committee in his Complaint. He follows by claiming the inquiries as to Ms. Olson's and Mr. Dorgan's possible timber industry conflict of interest is an undertaking to interfere in his campaign against Senator Andrews. To the press, he labels this sophistry "dirty tricks" and, of course, leaves Senator Andrews, who is unaware of this entire matter, trying to disprove a negative.

In terms of this Commission's jurisdiction and interest, the Conrad Complaint is also a non-event.

IV. LEGAL ANALYSIS

In their Complaint, Representative Dorgan and Mr. Conrad allege that the Respondents' actions violated the Federal Election Campaign Act ("FECA") in three ways.

First, they claim that the North Dakota Republican Party and/or People for Mark Andrews, acting through agents Messrs. Rand, Giesecke, Harrison and others, violated FECA spending limits by conducting expensive investigations into the private lives of Rep. Dorgan and Mr. Conrad for the purpose of defeating Rep. Dorgan and Mr. Conrad in this Fall's federal elections.

Second, Complainants claim that the North Dakota Republican Party and/or People for Mark Andrews violated FECA regulations by failing to report expenditures incurred by its agents Rand, Giesecke, et al.

Third, as a fall-back position, the Complainants allege that even if the North Dakota Republican Party and/or Senator Andrews were not involved, the remaining Respondents

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violated FECA rules by failing to register as a political committee.

The first and second allegations fail to withstand even minimal scrutiny. If the alleged "expensive investigation" refers to the Butcher investigation, it is of no legal import to this Commission who authorized it or for what reason. The Butcher investigation was never disseminated to anyone, and Complainants do not allege to the contrary. The Butcher investigation was never used to influence any federal election and Complainants cannot allege to the contrary. Further, the Butcher Investigaton was never concerned with or involved Conrad, who was obviously a "volunteer" for his own purpose. It is a legal non-event over which this Commission has no jurisdiction.

If the alleged "expensive investigation" is the timber lobby package, actions taken to collect such public information and the decision of a North Dakota newspaper to print it are protected First Amendment activities and fall outside the purview of Federal Election Campaign Act.2/

Certainly, there is not an iota of evidence to link People for Mark Andrews with the timber lobby package. Conversely, there is not an iota of evidence that any inquiries were concerned with Conrad or the Conrad-Andrews election contest.

The only claim remaining is that Respondents Rand and Giesecke violated FECA rules by failing to register as a

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2/ Finally, although this matter is fully disposed of as a matter of law by an analysis of te complained of activities themselves, the allegations concerning the relationship among the Respondents, although irrelevant, is patently untrue. Messrs. Rand and Giesecke, as stated above, acted on their own account. There is no evidence presented to support the politically motivated allegation that Messrs. Rand and Giesecke were "agents" for Senator Mark Andrews or for the People for Mark Andrews or anyone else. Further, as stated above, even if the allegations of inter-relationship were true, they are legally meaningless inasmuch as the sole activity undertaken - the collection of the timber lobby package and the independent decision of a newspaper to print news stories based upon it - is not within the purview of this Commission and is within the purview of the First Amendment.

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political committee. This claim is totally inconsistent with (a) the First Amendment, (b) a plain reading of FECA, and (c) clear case law regarding the types of activities which require registration as a "political committee".

Under 2 U.S.C. § 433(a), every "political committee" is required to register as such by filing a "statement of organization" with the Federal Election Commission ("FEC"), and political committees are subject to certain record-keeping and reporting requirements. A "political committee" is defined, in pertinent part, as "any . . . group of persons which receives contributions aggregating in excess of $1,000 during a calendar year or which makes expenditures aggregating in excess of $1,000 during a calendar year," 2 U.S.C. § 431(4)(A). "Expenditure" is in turn defined, in pertinent part, as "any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made by any person for the purpose of influencing any election for Federal office," 2 U.S.C. § 431(9)(A)(i), while "contribution" is similarly defined as "any gift, loan, advance or deposit of money or anything of value . . . for purpose of influencing any election for Federal office." 2 U.S.C. § 431(8)(A)(i).

Respondents Rand and/or Giesecke engaged in two activities regarding Rep. Dorgan which Rep. Dorgan apparently believes require registration as a political committee:

(1) Mr. Rand and Mr. Giesecke allegedly caused the Butcher investigation to be conducted regarding Rep. Dorgan (but not Mr. Conrad); and,

(2) Mr. Rand and Mr. Giesecke gathered the publicly-available timber lobby information regarding Mr. Dorgan's marriage to lobbyist Ms. Kimberly Sue Olson and Ms. Olson's lobbying activities, and sent that information to the North Dakota press.

Regarding the Butcher investigation, there is absolutely no authority which supports the proposition that the act of conducting or commissioning a legal investigation into a Congressman's background, and shelving the results of that investigation, is an activity subject to regulation by FECA. Complainants have produced not one scintilla of evidence which suggests that the Butcher investigation was initiated for the purpose of influencing any election, nor have they shown that the report was used for the purpose of

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influencing an election, because, in fact, the report was not used at all. Complainants have accused the "People for Mark Andrews" Committee but have not shown any inquiries or investigation of Mr. Conrad, the Andrews opponent. It is further significant that the Complainants ignore Mr. Dorgan's opponents' Committee. The Butcher report was not released to anyone, and the facts disclosed in the report were not used as "seeds" for any further investigation or action. Neither Mr. Rand nor Mr. Giesecke -- or anyone -- made any "expenditures", as that term is defined in 2 U.S.C. § 431(4)(A), regarding the Butcher investigation. Accordingly, the Respondents' actions which caused the Butcher investigation, and the subsequent payment for the investigation, do not constitute activities which are regulated under FECA.

The only remaining claim is that Respondents' actions in compiling the timber lobby package and sending it to newspapers required them to register as a political committee.

As noted, registration as a political committee is required if any group of persons spends or receives over $1,000 to influence Federal elections. Respondents did not spend or receive over $1,000 in the course of compiling and sending the timber lobby package, but even if they had, they would not be required to register as a "political committee" because their creation and distribution of the package was not undertaken "for the purpose of influencing" a federal election. Further, their activities regarding the timber lobby package are protected from FECA regulations by the First Amendment.

In the timber lobby package, Mr. Rand and Mr. Giesecke publicized the fact that a U.S. Congressman, who happened to be from North Dakota, was married to a woman who lobbied her husband on behalf of foreign interests. They questioned the propriety of the couple's actions by implying that the situation yielded an improper influence in the setting of national policy and demonstrated questionable ethics on the part of Mr. Dorgan. Mr. Rand and Mr. Giesecke judged this conflict of interest to be a matter of keen public interest, a judgment which was apparently correct because several newspapers chose to print stories based on the facts Mr. Rand and Mr. Giesecke presented. Further, on October 16, 1986, the U.S. Commerce Department took punitive action against the Canadian Timber Industry.

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The timber lobby package exemplifies the type of communication granted the broadest protection under the First Amendment, because it is precisely the type of expression regarding governmental affairs that the First Amendment was designed to protect. As the Supreme Court noted:

> Whatever differences may exist about interpretations of the First Amendment, there is practically universal agreement that a major purpose of the Amendment was to protect the free discussion of governmental affairs. This, of course, includes discussions of candidates, structures, and forms of government, the manner in which government is operated or should be operated, and all such matters relating to political processes.

Mills v. Alabama, 384 U.S. 214, 218-19 (1965), cited in American Civil Liberties Union, Inc. v. Jennings, 366 F. Supp. 1041, 1051 (D.D.C. 1973).

In Buckley v. Valeo, 424 U.S. 1 (1976), the Supreme Court affirmed the heightened constitutional protection afforded to public discussion of political affairs:

> Discussion of public issues and debate on the qualifications of candidates are integral to the operation of the system of government established by our Constitution. The First Amendment affords the broadest protection to such political expression in order 'to assure [the] unfettered interchange of ideas for the bringing about of political and social changes desired by the people.'

Buckley, 424 U.S. at 14 citing Roth v. United States, 354 U.S. 476, 484 (1957).

In Buckley, the Supreme Court upheld Congress's primary purpose in enacting FECA -- to end corrupt campaign financing and the appearance of such corruption -- as a valid governmental objective. 424 U.S. at 26-29. However, the Court held that because FECA sought to regulate political speech pertaining to elections, the Act must be construed

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narrowly to avoid impermissably broad restraints on critical First Amendment freedoms.

The Buckley Court recognized that discussion of national issues is often inextricably intertwined with election matters:

> [T]he distinction between discussion of issues and candidates and advocacy of election or defeat of candidates may often dissolve in practical application. Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various public issues, but campaigns themselves generate issues of public interest.

424 U.S. at 42. Because FECA's regulation of campaign-influencing activities necessarily infringes upon the "free discussion of governmental affairs," the Court held that FECA was constitutional only if narrowly construed to reach only those activities which are closely related to campaign contributions and financing, not to all activities which, in fact, have some influence on federal elections.

Regarding the specific scope of the term "political committee," the Court noted that the determinative phrase "for the purpose of influencing" federal elections has the "potential for encompassing both issue discussion and advocacy of a political result," and that a broad reading of the phrase could cause the term "political committee" to encompass "groups engaged purely in issue discussion." 424 U.S. at 79.

In order to avoid vagueness invalidity which would result if every group of persons who discussed national affairs was required to register as a political committee if their activities happened to influence an election, the Buckley Court held that the words "political committee" "only encompass organizations that are under the control of a candidate or the major purpose of which is the nomination or election of a candidate." Id. (Emphasis added).

By the content of the timber lobby package, by the fact that it was distributed to newspapers to print if they

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found it newsworthy, and by Respondents' explanation of their actions, it should be obvious that influencing the election of Byron Dorgan and/or Kent Conrad was not even a secondary purpose -- much less a "major" purpose -- of Respondents' activities regarding the timber lobby package, and that, accordingly, they were not required to register as a political committee.

Since the enactment of FECA, numerous elected officials who were disgruntled by negative publicity (which they felt harmed their re-election prospects), have filed suit claiming that the authors of such publicity violated Federal election laws by failing to register as a political committee, or otherwise failing to comply with provisions of FECA applicable to expenditures "for the purpose of influencing" federal elections. In all such cases, the courts have found that FECA did not apply, because the messages were aimed primarily at publicizing national issues and/or criticizing positions or actions taken by federal officials, not at influencing the election or defeat of candidates, even though the expenditures may have had the effect of influencing federal elections.

In United States v. National Committee For Impeachment, 469 F.2d 1135 (2d Cir. 1972), the Federal Election Commission claimed that an organization which, in May 1972, placed an advertisement in the New York Times calling for the impeachment of President Nixon was a "political committee" because the purchase of the ad constituted an "expenditure" or "contribution" "for the purpose of influencing" a Federal election. The definition of a "political committee" in FECA as it existed then was substantially the same as it is today, being, in essence, any group of persons which receives contributions or makes expenditures "for the purpose of influencing" a Federal election in excess of $1,000 in any calendar year.

The ad was entitled "A Resolution to Impeach Richard M. Nixon as President of the United States," and contained the text of a House of Representatives resolution seeking the impeachment of President Nixon on the basis of his Vietnam war policies, together with quotations relating to governmental issues, other advocacy statements and an "Honor Roll" of members of Congress who had signed the resolution.

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The FEC claimed that "publication alone" of such an advertisement is an "'obvious' political activity that was intended to further the candidacies of the Congressmen so 'honored'," Id. at 1139, and that the ad constituted an election-related "expenditure" subject to FECA because "with respect to the upcoming election for President and Vice-President of the United States, the National Committee derogates President Nixon's stand on a principal campaign issue--the Vietnam war," Id. at 1142. The court disposed of both arguments, stating that "[o]n the Government's thesis, every little Audubon Society chapter would be a 'political committee,' for 'environment' is an issue in one campaign after another." Id.

Noting that "Congressional concern [in enacting FECA] was with political campaign financing, not with the funding of movements dealing with national policy," id. at 1141-42, the court held that "[w]e . . . construe the Act to apply only to committees soliticing contributions or making expenditures the major purpose of which is the nomination or election of candidates." Id. at 1141.

In American Civil Liberties Union v. Jennings, 366 F. Supp. 1041 (D.D.C. 1973) (hereinafter "ACLU"), the Federal District Court for the District of Columbia considered whether an association of individuals who, in September 1972, tried to purchase a political advertisement in the New York Times criticizing President Nixon's position on school segregation, was a "political committee" subject to the registration, recordkeeping and reporting requirements applicable to such committees under FECA.

The advertisement at issue in ACLU contained many elements which could reasonably be interpreted as "election influencing." Styled as an "Open Letter to President Richard M. Nixon," it claimed that the President was "taking steps to create an American apartheid," and critized the President's support of legislation limiting Federal court action in school segregation cases. The ad also listed an "Honor Roll" of 102 representatives who voted against the legislation, and stated that the representatives "deserve your support in their resistence to the Nixon administration bill." Id. at 1058.

Despite the fact that the message involved was a paid political advertisement, that it expressly denigrated President Nixon, favorably mentioned incumbent members of

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Congress, many of whom were running for reelection, was released approximately one and a half months before the November presidential and congressional elections, and was likely to have a substantial effect on the upcoming elections, the court found that the ad was not purchased for the purpose of influencing a Federal election, because it was focused more on issues than on candidates. Id. at 1045, 1056. The court emphasized that the registration, recordkeeping and reporting requirements applicable to "political committees" under FECA pertain "only to committees soliciting contributions or making expenditures the major purpose of which is the nomination or election of candidates." Id. at 1057, citing United States v. National Committee For Impeachment, 469 F.2d at 1141.

In a more recent case, Federal Election Commission v. American Federation of State, County and Municipal Employees, 471 F. Supp. 315 (D.D.C. 1979)(hereinafter "AFSCME"), the court held that FECA does not apply to the publication of political messages aimed primarily at criticizing an incumbent candidate's past actions and positions, even though the publication is conducted in the context of a re-election campaign.

In AFSCME, the FEC claimed that a labor union of government employees was required to report its expenditure of $983.73 for posters which AFSCME printed and distributed in May of 1976 (before the presidential elections), which showed Gerald Ford wearing a button reading "Pardon Me" and embracing Richard Nixon, superimposed with a quote from a Ford speech: "I can say from the bottom of my heart -- the President of the U.S. is innocent, and he is right." 471 F. Supp. at 316. The court held that the publication and distribution of the poster was not subject to FECA.

Although AFSCME focused on whether the posters constituted "independent expenditures," the court included a general explanation regarding the applicability of FECA: "although the poster includes a clearly identified candidate and may have tended to influence voting, it contains communication on a public issue widely debated during the campaign. As such, it is the type of political speech which is protected from regulation under 2 U.S.C. § 431 et seq." Id. at 317.

All relevant federal case law is inconsistent with Complainants' position that Mr. Rand and Mr. Giesecke should

have registered as a political committee. Further, the FEC Advisory Opinions which Complainants cited in support of their charges are inapplicable and irrelevant.

V. CONCLUSION

Respondents Rand and Giesecke have not undertaken any of their activities for the purpose of influencing an election; accordingly, FECA regulations do not apply to their actions, and the mere fact that their activities may have the effect of influencing an election is not sufficient to bring FECA into play.

Mr. Rand and Mr. Giesecke have done no more than send a well-documented letter to the editor on a matter of public concern. This is not the type of activity FECA was meant to regulate. As Mr. Justice Brandeis observed, "In our country, 'public discussion is a political duty.'" Whitney v. California, 274 U.S. 357, 375 (1927), quoted in Buckley v. Valeo, 424 U.S. at 53. Respondents Rand and Giesecke have acted to fulfill that duty in a manner fully consistent with all applicable laws.

Mr. Rand and Mr. Giesecke waive all confidentiality rights with respect to this response.

Respectfully submitted,

GOLDEN, FREDA & SCHRAUB, P.C.

Jonathan Schraub

Susanne Dye Rose

Susanne Dye Rose

cc: Bert B. Rand, Esquire
Fritz H. Giesecke, Esquire

JJS/gsm

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CERTIFICATION

I hereby certify that the factual matters contained in Section II "Facts" of this letter are true to the best of my knowledge and belief.

10/27/86
Date

Bert B. Rand

Oct. 24, 1986
Date

Fritz H. Giesecke
Fritz H. Giesecke

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U.S. Department of Justice
Washington, D.C. 20530

OMB No. 1105-0013
Approval Expires Oct. 31, 1986

Short-Form Registration Statement

Under the Foreign Agents Registration Act of 1938, as amended

Each partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related or similar capacity.

1. Name	Registration No.
Kimberly Sue Olson	3597
2. Residence Address	**3. Business Address**
225 1/2 C Street, N.E. Washington, D.C. 20002	1200 New Hampshire Avenue, N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958; Arlington, Washington **Present Citizenship** United States	**5. If present citizenship was not acquired by birth, indicate when, where, and how acquired.**

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file this statement?

Name APCO Associates Address 1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association
[SEE ATTACHMENT A for additional names.]

9. Indicate your connection with the individual or organization named in Item 7:

☐ partner ☐ director ☒ employee
☐ officer ☐ associate ☐ agent
☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If you are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be used.)*

As Legislative Associate, I will perform all necessary functions in that capacity.

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Do any of the above described services include political activity as defined in the footnote below?
☒ Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined in the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
☒ full time basis ☐ part time basis ☐ special basis

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____
☐ Fee: Amount $ _____ ☐ Other thing of value _____

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount

I receive a regular salary plus out-of-pocket expenses.

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with an election to political office or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

12/19/85
Date of Signature

Kimberly Olson
Signature

Subscribed and sworn to before me at Washington, D.C.

this 19 day of Dec, 19 85.

Patricia A Davis
Signature of notary or other officer

My commission expires Jan 31, 19 90.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/My salary is paid on an annual basis in semi-monthly installments without regard to time spent on particular matters.

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ATTACHMENT A

Amok, Ltd.

Eldorado Resources Limited

Uranerz Exploration and Mining Limited

Canadian Meat Council

Profilo Holding A.S.

Saskatchewan Mining Development Corporation

Corporacion Nacional del Cobre de Chile (Codelco)

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U.S. Department of Justice
Washington, DC 20536

Exhibit B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Oct. 31, 1983

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	3597

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

(See answer to Number 4, below.)

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

The fee for such services is to be determined periodically based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1] Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant may engage in political activities on behalf of the foreign principal. The Registrant's activities may, on occasion, include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with members of the U.S. Senate and House of Representatives and their staffs relating to legislation and actions of the Executive Branch and government agencies that may affect or relate to the foreign principal.

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Date of Exhibit B	Name and Title	Signature
February 6, 1986	Margery Kraus, Executive Vice President	MKraus

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

U.S. Department of Justice
Washington, DC 20530

Supplemental Statement
Pursuant to Section 2 of the Foreign Agents Registration Act of 1938, as amended.

OMB No. 1105-0002
Approval Expires Oct. 31, 1986

DEC 20

For Six Month Period Ending _____
(Insert date)

Name of Registrant APCO Associates **Registration No.** 3597

Business Address of Registrant 1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

I—REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual: N/A

(1) Residence address	Yes ☐	No ☐
(2) Citizenship	Yes ☐	No ☐
(3) Occupation	Yes ☐	No ☐

(b) If an organization:

(1) Name	Yes ☐	No ☒
(2) Ownership or control	Yes ☐	No ☒
(3) Branch offices	Yes ☐	No ☒

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2. Explain fully all changes, if any, indicated in item 1. N/A

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	*Position*	*Date Connection Ended*
N/A		

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4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?
Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Residence Address*	*Citizenship*	*Position*	*Date Assumed*

5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal?
Yes ☐ No ☐ N/A

If yes, identify each such person and describe his services.

6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Position or connection*	*Date terminated*

7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity? Yes ☒ No ☐

If yes, furnish the following information:

Name	*Residence Address*	*Position or connection*	*Date connection began*
David Parkhurst	4509 Everett St Kensington, MD 20895	Researcher	September 1, 1985
Anita Epstein	409 Greenbrier Drive Silver Spring, MD 20910	Senior Legislative Associate	September 1, 1985

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II—FOREIGN PRINCIPAL

8. Has your connection with any foreign prinicpal ended during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name of foreign principal *Date of Termination*

9. Have you acquired any new foreign principal[1] during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information: N/A

Name and address of foreign principal *Date acquired*

10. In addition to those named in Items 8 and 9, if any, list the foreign principals[1] whom you continued to represent during the 6 month reporting period.

Korean Traders Assoc.
World Trade Center, Korea Bldg.
C.P.O. Box 1117
Seoul, Korea

Canadian Forest Industries Council
85 Albert Street
Ottawa, Ontario
Canada K1P 6A4

III—ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

See Attachment A

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[1]The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity[2] as defined below?
Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

See Attachment B

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully. N/A

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[2]The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policy of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV--FINANCIAL INFORMATION

14. (a) **RECEIPTS--MONIES**

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.[3]

Date		*From Whom*	*Purpose*	*Amount*
6-31-85	A&P	(Korean Traders)	Fees	3,342.50
6-31-85	A&P	(Korean Traders)	Disbursements	299.31
11-4-85	A&P	(Korean Traders)	Fees	121.25
11-4-85	A&P	(Korean Traders)	Disbursements	30.00
12-2-85	A&P	(Korean Traders)	Fees	205.00
7-31-85	A&P	(Canadian Forest Industries)	Fees	28,170.00
7-31-85	A&P	(Canadian Forest Industries)	Disbursements	906.25
			Total	

(Question 14 (a) is continued on following page)

(b) **RECEIPTS--THINGS OF VALUE**

During this 6 month reporting period, have you received any thing of value[4] other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?
Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal	*Date received*	*Description of thing of value*	*Purpose*
[redacted]			

[3] A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).
[4] Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

14 (a) Receipts-Monies (Continued)

Date	From Whom	Purpose	Amount
8-8-85	A&P (Canadian Forest Industries)	Fees	56,711.25
8-8-85	A&P (Canadian Forest Industries)	Disbursements	7,923.67
8-30-85	A&P (Canadian Forest Industries)	Fees	48,014.25
8-30-85	A&P (Canadian Forest Industries)	Disbursements	4,126.15
10-2-85	A&P (Canadian Forest Industries)	Fees	55,592.25
10-2-85	A&P (Canadian Forest Industries)	Disbursements	5,832.69
11-4-85	A&P (Canadian Forest Industries)	Fees	78,624.50
11-4-85	A&P (Canadian Forest Industries)	Disbursements	20,412.05
11-26-85	A&P (Canadian Forest Industries)	Fees	103,113.50
11-26-85	A&P (Canadian Forest Industries)	Disbursements	28,767.29

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15. (a) DISBURSEMENTS—MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	*To Whom*	*Purpose*	*Amount*
Korean Traders			
Various	Xerox Corporation	Duplicating	0.30
11-11-85	Arnold & Porter	Secretarial Services	192.50
Canadian Forest Industries Council			
Various	Xerox Corporation	Duplicating	21,967.94
Various	C & P Telephone	Telephone	717.83
Various	U.S. Postal Service	Postage	1,012.16
Various	APCO Employees	Cash Expense	4,036.83
Various	APCO Employees	Local Transportation	2,098.05
Various	Arnold & Porter	Secretarial Services	16,503.75
Various	Federal Express	Courier Service	229.95
Various	RCA Global Communications	Telex	502.85
Various	Mead Data Central	Lexis	5,704.63
8-26-85	Washington Service Bureau	Publications	29.80
9-26-85	National Journal	Publications	1.74
11-11-85	Arnold & Porter	Legal Assistant Services	11,636.50
Various	The Bread Oven	Meals	20.35
10-28-85	Guest Services	Meals	52.55
10-22-85	The Hunt Room	Meals	882.55
10-11-85	Hyatt Regency	Meals	1,675.08

Total

8 9 0 4 0 7 2 2 1 1

15. (b) DISBURSEMENTS—THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value[5] other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?
Yes ☐ No ☒

If yes, furnish the following information:

Date disposed	*Name of person to whom given*	*On behalf of what foreign principal*	*Description of thing of value*	*Purpose*
N/A				

(c) DISBURSEMENTS—POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value[5] in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?
Yes ☐ No ☒ */However, the following person who has filed a Short-Form Registration Statement has made contributions in connection with Elections for federal offices:
If yes, furnish the following information:

Date	*Amount or thing of value*	*Name of political organization*	*Name of candidate*
Margery Kraus 10/28/85	$250	Fascell for Congress	Dante Fascell

V—POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal. Canadian Forest Industries Council

[5]Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

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18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☐ Radio or TV broadcasts ☐ Magazine or newspaper articles ☐ Motion picture films ☒ Letters or telegrams

☐ Advertising campaigns ☒ Press releases ☒ Pamphlets or other publications ☐ Lectures or speeches

☒ Other *(specify)* Memoranda

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☐ Libraries

☒ Legislators ☒ Editors ☐ Educational institutions

☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups

☐ Other *(specify)* _____

21. What language was used in this political propaganda:

☒ English ☐ Other *(specify)* _____

22. Did you file with the Registration Section, U.S. Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period? Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, U.S. Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act? Yes ☒ No ☐

VI—EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

(a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A[6] Yes ☐ No ☐ N/A

Exhibit B[7] Yes ☐ No ☐

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? N/A Yes ☐ No ☐

If no, please attach the required amendment. N/A

[6]The Exhibit A, which is filed on Form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.

[7]The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

2 2 1 3 2 0 4 0 7

26. **EXHIBIT C**

If you have previously filed an Exhibit C[8], state whether any changes therein have occurred during this 6 month reporti period. Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment. N/A

---

27. **SHORT FORM REGISTRATION STATEMENT**

Have short form registration statements been filed by all of the persons named in Items 5 and 7 of the supplemental statemer Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration stateme and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entire true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such i formation is not within his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Margery Kraus

Subscribed and sworn to before me at Washington, D.C.

this 3rd day of February, 19 86

Margaret A. Hann

(Signature of notary or other officer)

My Commission Expires June 1, 1986

[8]The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justi Washington, D.C. 20530.)

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ATTACHMENT A

11. During this 6-month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9 and 10 of this statement?
__X__ Yes _____ No.

If yes, identify each such foreign principal and describe in full detail your activities and services:

Korean Traders Association

No activities

Canadian Forest Industries Council

The Registrant assisted Arnold & Porter in representing the principal in connection with proposed legislation with respect to efforts to restrict imports of lumber and other forest products from Canada.

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12. During the 6 month reporting period, have you on behalf of any foreign principal engaged in political activity as defined below?

YES X NO ____

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating among other things, the relations, interests, and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to date, places of delivery, names of speakers and subject matter.

Canadian Forest Industries Council

On behalf of the foreign principal, the Registrant had discussions regarding proposed restrictions on imports of lumber from Canada with Berta Bradford, Aide to Rep. Pickle, on September 10, 1985; with Jeff Crane, Aide to Rep. Crane, on September 10, 1985 and October 21, 1985; with Rep. Jenkins, US Congressman, on September 10, 1985; with Rep. Guarini, US Congressman, on September 10, 1985; with Mary Beth Riordan, Aide to Rep. McGrath, on September 10, 1985; with Steve Wallace, Aide to Sen. D'Amato, on September 24, 1985 and October 8, 1985; with Bob Guttman, Aide to Sen. Quayle, on October 3, 1985; with Bill Mattea, Aide to Sen. Dixon, on October 8, 1985; with Steve Nousen, Aide to Sen. Hatfield, on June 27, 1985 and September 27, 1985; with Brose McVay, Aide to Sen. Quayle, on October 3, 1985; with George Dalley, Aide to Rep. Rangel, on October 4, 1985; with Rachel Sotsky, Aide to Sen. Rudman, on October 4, 1985; with David Cox, Aide to Sen. Boren, on October 4, 1985; with Rep. Bevill, US Congressman, on October 8, 1985; with Rep. Bentley, US Congresswoman, on October 8, 1985; with Lisa Lerner, Aide to Sen. Dixon, on October 8, 1985; with Rep. Callahan, US Congressman, on October 8, 1985; with Mike House, Aide to Sen. Heflin, on October 9, 1985 and November 7, 1985; with Meg Hunt, Aide to Sen. Denton, on October 9, 1985; with George Krumbhaar, Aide to Sen. Glenn, on October 9, 1985; with Rep. Lott, US Congressman, on October 9, 1985; with Sen. Denton, US Senator, on October 9, 1985; with Rep. J. Lazerov, Aide

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to Sen. Sarbanes, on October 16, 1985; with Jim Guthrie, Aide to Sen. Biden, on October 17, 1985; with David Rudd, Aide to Sen. Hollings, on October 17, 1985; with Ruth Kurtz, Aide to Sen. Roth, on October 17, 1985; with Mary Ann Richardson, Aide to Rep. Lundine, on October 23, 1985; with Karen Johnson, Aide to Rep. Towns, on November 6, 1985; with Sen. Long, US Senator, on November 6, 1985; with Sen. Johnston, US Senator, on November 6, 1985; with Russell Smith and Becca Gould, Aides to Rep. Broyhill, on November 7, 1985; with Barbara Eymen, Aide to Rep. Panetta, on November 8, 1985; with Gregg Mounts, Aide to Rep. Dingell, on November 8, 1985; with Orlando Potter, Aide to Sen. Pell, on November 5, 1985; with Rep. Clinger, US Congressman, on November 16, 1985; with Randall Luthi, Aide to Sen. Simpson, on November 19, 1985; with Sen. Baucus, US Senator, on November 21, 1985; with Rep. Duncan, US Congressman, on November 21, 1985; with Rep. W. Lehman, US Congressman, on December 4, 1985; with David Roach, Aide to Rep. Williams, on June 14, 1985; with Cindy Wilhite, Aide to Rep. R. Smith (OR), on June 14, 1985; with Rep. Wyden, US Congressman, on June 14, 1985 and July 26, 1985; with Rich Brown, Aide to Rep. Wyden, on June 14, 24, 1985 and July 26, 1985 and August 30, 1985; with Rep. Schulze, US Congressman, on June 19, 1985 and October 23, 1985; with Rich Merski, Aide to Rep. Schulze, on June 19, 1985; with Rick Samans, Aide to Rep. Pease, on June 27, 1985; with Pat Eveland, Aide to Rep. Frenzel, on June 28, 1985; September 9, 1985 and October 3, 21, 1985; with Jim Schlict, Aide to Rep. Heftel, on July 1, 1985 and October 22, 1985; with George Weise, Ways and Means Committee, on July 24, 1985, September 11, 13, 1985, October 3, 1985, November 6, 1985 and December 16, 1985; with Meredith Broadbent, Minority Staff - Ways and Means Committee, on July 24, 1985; with Jeff Lang, Senate Finance Committee, on July 24, 1985; with Mike Pate, Aide to Sen. Bentsen, on July 24, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Anthony, US Congressman, on July 25, 1985 and September 10, 1985; with Rep. AuCoin, US Congressman, on July 25,

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1985; with Jan Kinney, Aide to Rep. Jenkins, on July 25, 1985; with Rep. Bonker, US Congressman, on July 25, 1985 and October 30, 1985; with Mark Murray, Aide to Rep. Bonker, on July 25, 1985; with Sen. Durenberger, US Senator, on July 25, 1985; with Jimmy Powell, Aide to Sen. Durenberger, on July 17, 19, 25, 1985 and November 19, 1985; with Carolyn Blaydes, Aide to Rep. Downey, on September 11, 1985; with Woody Keeney, Aide to Rep. Gregg, on September 11, 1985; Rep. Jacobs, US Congressman, on September 11, 1985; with Leslie Brown, Aide to Rep. Gradison, September 11, 1985; with Jonas Bobelis, Aide to Schulze, on September 11, 1985; with Rufus Yerxa, Trade Sub., Ways and Means, on September 13, 1985 and December 16, 1985; with Sandra Taylor, Aide to Sen. Chafee, on September 18, 1985; with Ed Greelegs, Aide to Rep. Russo, on September 16, 1985; with Peter Knight, Aide to Sen. Gore, on July 25, 1985; with Leon Fuerth, Aide to Sen. Gore, on July 25, 1985; with Henry Barton and Mark Elam, Aides to Rep. Campbell, on September 9, 1985; with Tom Friemuth, Aide to Rep. Daub, on September 9, 1985; with Donna Feinberg, Aide to Rep. Dorgan, on September 9, 1985; with Anne Urban, Aide to Rep. Kennelly, on September 9, 1985; with Rep. Don Pease, US Congressman, on September 10, 1985; with Jim Hawley, Aide to Rep. Gephardt, on September 10, 1985; with Bob Ludwiczak, Aide to Sen. Grassley, on September 18, 1985 and October 4, 1985; with Greg Farmer, Aide to Rep. MacKay, on October 2, 1985; Tom Spulak, House Rules Committee, on October 2, 1985 and November 8, 1985; with Pat Maclauseland, Aide to Sen. Gorton, on October 4, 1985; with David Bley, Aide to Rep. Lowry, on October 7, 17, 1985; with Rep. Mike Lowry, US Congressman, on October 7, 17, 1985; with Thelma Askey, Minority Staff-Ways and Means Committee, on November 4, 1985; with Chris Finn, Aide to Rep. J. Jones, on November 11, 1985; with Rep. Sikorski, US Congressman, on November 8, 1985; with Rep. Richardson, US Congressman, on November 14, 1985; with Dan Evans, Aide to Rep. Bonker, on December 6, 1985; with Louis Roth, Aide to Sen. Glenn, on October 9, 1985; with Rep. Feighan, US Congressman, on October 9, 1985; with Floyd Fithian and Dan McGrath, Aides to Sen. Simon, on October 9, 19, 1985; with Phil Rotondi, Aide to Rep. Foglietta, on October 17, 1985; with Bill Morley, Aide to Sen. Spector, on October 17, 1985; with Sen. Gorton, US Senator, on October 18, 1985; with

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Rep. Dicks, US Congress, on October 18, 1985; with Joe Mentor, Aide to Sen. Evans, on October 18, 1985; with Charles Broches, Aide to Rep. J. Miller, on October 18, 1985; with Sam Story, Aide to Rep. Emerson, on October 21, 1985 and November 18, 1985; with Rep. Fascell, US Congressman, on October 21, 1985 and November 18, 1985; with Rep. R. Young, US Congressman, on October 23, 1985; with Rep. Erdreich, US Congressman, on October 29, 1985; with Frank Toohey, Aide to Rep. Flippo, on October 29, 1985; with Steve Raulston, Aide to Rep. Dickinson, on October 29, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Emerson, US Congressman, on October 9, 1985; with Rep. Stangeland, US Congressman, on October 9, 1985; with Rep. St. Germaine, US Congressman, on October 9, 1985; with Marcia Aronoff, Aide to Sen. Bradley, on October 9, 1985; with Rep. Michel, US Congressman, on October 19, 1985; with Rob Kirchner and Jim Cuttell, Aides to Rep. Roukema, on October 19, 1985; with Pat Wait, Aide to Rep. Bentley, on October 19, 1985; H.P. Goldfield, Assistant Sec. Commerce Dept, on June 25, 1985; with Jim Medas, Dept. Asst. Sec. of State for Canadian Affairs, on June 26, 1985, July 15, 17, 22, 1985, and October 7, 1985; with John Anderson, Commerce Department, on September 6, 1985; with Bill Merkin, USTR, on July 25, 1985, August 13, 1985, September 12, 1985, October 7, 11, 21, 24, 1985, and November 5, 12, and 22, 1985; with John Stiner, Commerce Department, on August 14, 1985, October 8, 16 29, 1985, November 15, 1985; with Mike Kelly, Commerce Department, on August 14, 1985, October 15, 21, 30, 1985; with Alex Platt, National Security Council, on November 20, 22, 1985; with Amb. Michael Smith, Deputy USTR, on July 24, 1985; with Alan Holmer, General Counsel - USTR, July 24, 25, 1985; with Gene Allister, White House Staff, on August 28, 1985 and September 10, 1985; with Susan Beasley, Treasury, September 12, 1985; with Andy Card, Special Asst., The White House, on September 5, 1985 and October 8, 1985; with Chris Kristiansen, Commerce Department, on October 21, 1985; with Lehman Li, White House Staff, on November 5, 1985; with Ann Hughes,

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Deputy Assistant Sec. - Commerce, on August 14, 1985 and November 22, 1985; with Bill Barreda and Bill Murden, Treasury, on August 13, 1985; with Tom Kay, Agriculture, on August 14, 1985; with Bruce Smart, UnderSecretary of International Trade, Department of Commerce, on August 14, 1985; with Robert Searby, Betsy White and Chris Hankin, Labor, on August 14, 1985; with Robert Cornell, Treasury, on September 12, 1985; with Randy Davis, Office of Management and Budget, on September 11, 1985; with Thomas Moore and Joseph Stone, Council of Economic Advisors, on August 14, 1985; with Doug McMinn, Department of State, on October 21, 1985; with Mike Farren, Commerce Department, on November 22, 1985.

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EX 5 4/7/88

One Democratic Congressman goes Deaver one better. He has his wife involved in lobbying before he leaves office.

North Dakota Congressman Byron L. Dorgan's wife has been a part of an organized effort to lobby Congressmen, Senators and their staffs in Washington on behalf of the Canadian timber industry to defeat U.S. legislative proposals designed to protect the American lumber industry against Canadian lumber imports.

Dorgan's wife, 27, who used her maiden name of Kimberly Sue Olson in official registrations, is registered with the Department of Justice as a foreign agent under the Foreign Agents Registration Act and has been married to Congressman Dorgan since April 13, 1985. Ms. Olson used her maiden name in registering with the Justice Department as a "legislative associate" employed by the Washington lobbying firm of APCO ASSOCIATES, the lobbying subsidiary of the Arnold and Porter law firm, according to foreign agent registration statements on file with the Justice Department.

In her initial registration with the Justice Department in June, 1985, Ms. Olson stated that she would be performing all necessary functions as a legislative associate "for the Canadian Forest Industries Council project only". Her registration statement discloses The Korean Traders Association as another foreign principal of APCO ASSOCIATES. In a subsequent required filing with the Justice Department on December 20, 1985, Ms. Olson's registration discloses additional Canadian and other foreign principals which APCO ASSOCIATES represent, including the Canadian Meat Council, the Saskatchewan Mining Development Corporation and the Chilean National Copper Corporation.

APCO ASSOCIATES and Ms. Olson's filings with the Justice Department indicate extensive lobbying of Congressmen, Senators and members of their staffs throughout the Fall of 1985 to prevent passage of pending legislation restricting Canadian lumber imports.

For the past several years the American lumber industry has claimed serious injury by Canadian firms' selling of Canadian lumber in U.S. markets at prices with which American sawmills are unable to compete. Several pending Congressional bills to restrict Canadian lumber imports have received increasing support in Congress. The Administration has, however, resisted

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Exhibit #5

protectionist measures against Canadian lumber imports and has attempted to solve the problem by agreements with Canada within the context of a broader agreement with Canada on trade matters. The Canadian share of the U.S. softwood lumber market has grown to more than 30% in 1985. U.S. lumber interests claim Canada is able to undersell American producers in the U.S. market because Canadian provincial governments provide trees to Canadian mills at little or no cost through subsidy and related programs.

Statements filed with the Justice Department by APCO ASSOCIATES and Olson indicate that between July and December, 1985, more than 134 discussions were held with Senators, Congressmen, their aides, and Administration officials by APCO ASSOCIATES and Olson lobbying for the Canadian Forest Industries Council.

At the time of his marriage to Olson in April, 1985, Dorgan, 44 this May, refused to discuss the marriage, his third, following two divorces, with North Dakota newspaper representatives. He was quoted in the Grand Forks "FORUM" of June 2, 1985, as saying, "Things get out and people read them in the newspapers. That's unavoidable. But I don't think my personal life has anything to do with my job as a Representative". Dorgan's secrecy regarding his marriage to Olson was also the subject at that time of editorial comment in the North Dakota press.

Kimberly Sue Olson was born on August 8, 1958 in Arlington, Washington State. She attended Washington State University and was graduated in 1980 with a degree in History. She was employed by the NIKE Shoe Company in Portland, Oregon, before joining APCO ASSOCIATES in Washington, D.C.

Dorgan, a Democrat, is serving his third term as North Dakota's sole representative in Congress, having been first elected in 1980. He has announced that he will run for re-election in 1986. He was North Dakota Tax Commissioner from 1969-1980. His successor, Kent Conrad, often described as his protege, is running for the U.S. Senate this year.

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Attached are the following Exhibits:

"A" -- New York Times, August 12, 1985, news clipping describing the Canadian-U.S. wood export problem in the light of the then-imminent session of Congress.

"B" -- Copy of Extracts from APCO ASSOCIATES file at Department of Justice, Foreign Agent Registration Unit, showing APCO ASSOCIATES' Congressional lobbying activity on behalf of Canadian timber during Fall, 1985.

"C" -- Copies of newspaper clippings showing political sensitivity of Congressman's secrecy about his wife.

"D" -- Copy of Marriage Certificate for present marriage of Congressman.

"E" -- Instructions on retrieving file on APCO ASSOCIATES from Deparment of Justice, Foreign Agent Registration Unit.

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ms soured British investors on
ature industry, sending the
ial Times index of electronics
plunging from a high of
on Jan. 9 to 1,260.70 early last
Prices have recovered to
but investors remain wary.
epresents a pretty fundamen-
nge of perspective on the part
estors," said Laurence Hey-
who follows the industry for
Fleming & Company, the
ant bank that runs an over-the-
r market in electronics shares.
are realizing that the kind of
bility they had been seeing
ot have been the best indicator
g-term health."
psychological impact of the in-
's problems has shown up in
price declines for companies
expansion has lived up to ex-
ions, such as Ferranti P.L.C.,
sectors that remain relatively
y, such as software. At the
time, new companies seeking
g by share offerings on Brit-
Unlisted Securities Market are
g to adjust their expectations
ward.

Ousted at Thorn

most spectacular loss of confi-
struck Thorn. EMI, whose
of directors last month ousted
hairman and chief executive,
Laister, just 13 months after he
een given the job. Mr. Laister's
y received proposal in May 1984
erge Thorn, which is heavily in-
d in consumer electronics and
tainment, with British Aero-
P.L.C., Europe's leading indo-
nt manufacturer of aircraft,
ites and missiles, was partly
ed for his problems.
rse in the eyes of investors,
h, was Thorn's subsequent ac-
ion from the Government of
P.L.C., a start-up semiconduc-

its companies have facilities, retains its buoyant long-term outlook, though. Recently, the Digital Equipment Corporation said that it would build a $110 million microchip manufacturing plant just west of Edinburgh to supply semiconductors to its British operations and other Digital factories around the world.

tempts to develop overseas markets and new products.

The costs and risks in such moves have contributed to the City's unease. One reason for the heightened sensitivity is the feeling in the City that the industry has no option but to take even bigger strategic gambles.



Associated Press

A logging truck in British Columbia. When Congress returns to Washington after its summer recess, it will consider several pieces of legislation to limit shipments of lumber from Canada to the United States.

U.S.-Canada Rift Over Lumber Exports

Continued From First Business Page

tion of natural resources at "less than fair market value."

The White House is fighting against lumber protectionism, largely because of its commitment to free trade. But both Congressmen and nervous Canadian Government officials say they count enough votes to override a Presidential veto.

In light of that, American Government officials are working strenuously to reach a compromise. United States officials suggest it might involve easing Canadian restrictions on the export of raw logs, opening the tight Canadian market to American plywood, and a plan to work jointly to expand third-country markets. The hope is that these measures would forestall more drastic action.

Meanwhile, the United States International Trade Commission is conducting a fact-finding investigation of the issues.

In essence, the dispute between Canada and the United States, which has many facets, comes down to "stumpage" — the term for the fee that industry pays the government for standing timber.

One key difference is that in Canada nearly 95 percent of the timberland is owned by provincial governments, while in the United States 70 percent is in private hands.

For publicly owned timber in the national forests of the United States, companies must bid competitively for stumpage. Prices paid at the time of auction can turn out to be unprofitably high if prices for the finished lumber later drop.

In British Columbia, which produces 65 percent of Canada's softwood lumber, and in other provinces, the provincial government sets stumpage fees administratively. First, the provincial government estimates lumber prices and figures roughly how much lumber it wants to produce. From the estimated price, it subtracts capital and operating cost, plus a guaranteed 12 percent profit. What is left becomes the stumpage fee.

Americans charge that, in some cases, Canadian stumpage fees could be as low as zero, if the other costs were high enough. By contrast, American companies must regard stumpage as their first fixed cost.

Special Circumstances Cited

The effect of the two systems is that Canadian companies often pay lower stumpage fees than their American counterparts. But since timber operations here are often located deep in the mountains, requiring long river transportation, the Canadians say the cost of delivered logs is virtually equal.

The industry in the United States does not accept that argument. "They are either very inefficient logging operations, or they're fudging the numbers," said William Lange, manager of resource planning for the Washington-based National Forest Products Administration.

"I find that allegation absolutely offensive," T. M. Apsey, president of the Council of Forest Industries of British Columbia, responded. The costs of operation on the mountainous coast are clearly higher, he says, and the American industry acknowledges that point. But in the interior of British Columbia, where new mills churn up so many trees that they are called "spaghetti factories," the Americans say costs are much less.

The evidence of the disparity in costs, American lumber executives contend, is that last year's rebound in housing starts did not result in a sharp upturn for the depressed American lumber industry. In recent years, the industry has written off some $500 million in assets, and about 250 American sawmills have closed.

The Housing Statistics

But the Canadians point out that even though overall housing starts last year in the United States nearly equalled the 1980 high of 2 million, construction of single-family dwellings declined by 320,000 units. Single-family houses, the Canadians say, use about three times the lumber of a unit in a multiple dwelling. They also say that high demand for pulp and paper in recent years has spurred production of wood chips, an important by-product of sawmills. This has meant more lumber has been produced than justified by the market.

Spokesmen for the American industry also point to sawmill utilization as a key variable. Mills in the United States have been operating at 70 to 80 percent of capacity, while Canada's have been running at more than 90 percent.

Canadians, on the other hand, point out that from 1978 to 1984, employment in their lumber industry fell by more than 18 percent, compared with about 14 percent in the United States.

The Canadian portion of the United States softwood lumber market has steadily grown from 19 percent a decade ago to 28 percent in 1978 and to 31 percent last year, some $2.6 billion worth. Preliminary industry figures suggest a further jump to 35 percent in the first six months of this year.

For Canada, the stakes are huge. Trees generate about $15 billion in revenue a year — more than metals, food and agriculture, fisheries and the automotive industries combined.

While there are many aspects of the lumber business in dispute between the two countries, the focus is on softwood lumber.

Large Softwood Exports

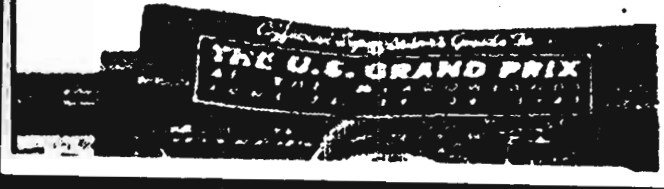
Canada is the largest exporter of softwood lumber, supplying 45 percent of the world trade. Its production grew to 20.6 billion board feet last year, from 10.9 billion in 1975. During the same period, American production grew to 31.3 billion, from 25.7 billion, but the United States exports considerably less than the Canadians.

American lumber executives say they will not be satisfied until Canada cuts its share of the American market to a fifth or less, from the present one-third.

To Mr. Apsey of the Forest Industries Council here, it all seems a trifle bemusing. He remembers being part of a Canadian delegation to Washington in 1972 that was pressed to increase lumber production, as well as exports.

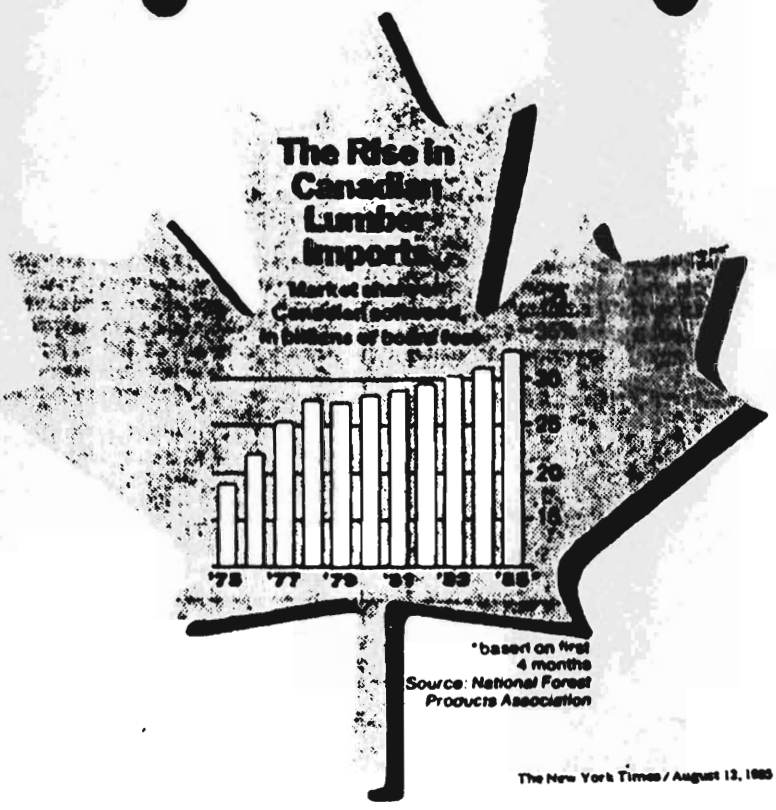
"The world was demanding our lumber, especially the United States," he said.

AN BE SPECIAL...



Spain's New Team Backs Austerity

NEW YORK TIMES THURS. 15, 1985



The New York Times / August 13, 1985

U.S.-Canadian Rift On Wood Exports

By DOUGLAS MARTIN

Special to The New York Times

VANCOUVER, British Columbia — A serious confrontation over Canada's growing lumber exports to the United States appears to be looming, with a flurry of legislation before Congress to limit shipments through duties or quotas.

The main issue is contentions by members of Congress and the American lumber industry that Canadian companies are buying standing timber from provincial governments at unfairly subsidized prices.

"In effect, the provinces give the timber to the manufacturers there," said Stanley S. Dennison, executive vice president of the Georgia-Pacific Corporation, perhaps the largest importer and marketer of Canadian lumber.

Canadians counter that their log prices are no lower than American ones in comparable areas and point to an extensive Commerce Department investigation in 1982 that concluded there were no "significant subsidies."

"It's very difficult for the provincial government to stop giving subsidies, if there is no subsidy," a Canadian Government official snapped.

But Trent Lott, Republican of Mississippi, the House Minority Whip, said, "Canada has to understand that there's a freight train coming down the track on this issue, and there's no brakeman."

The issue has clouded the world's biggest bilateral trade relationship, which President Reagan and Prime Minister Brian Mulroney pledged to try to enhance during their March summit meeting. Trade between the two nations last year surpassed $118 billion, double that between the United States and Japan.

Clayton K. Yeutter, the United States Trade Representative, said during his confirmation hearing recently that the United States and Canada cannot seal a free-trade deal until the lumber issue is resolved.

When Congress returns from summer recess, it will face a half-dozen bills to restrict Canadian lumber. The bill with the widest support, sponsored by some 70 Congressmen, was submitted by Representative Sam Gibbons, Democrat of Florida, chairman of the trade subcommittee of the House Ways and Means Committee. It calls for a change in the laws governing countervailing duties to punish governments that allow the extrac-

Continued on Page D6

Quarterly

By RICHARD W. STEVEN

Weak economic growth led t
luster corporate earning
ond quarter, with the
overwhelmed by depress
a wide range of industri
"The profits picture
pointing but not unexpec
slow economy in genera
half of the year," said
Gough, an economist at
sources Inc., the economic con
firm. The nation's economy g
only a 1 percent annual rate
first six months of 1985 and

Brazil Ma Delay Pa With I.M

By ALAN RIDING

Special to The New York Times

RIO DE JANEIRO, Aug.
Rather than accept an austeri
gram that could slow the co
economic recovery, Brazil'
Government now appears t
postponing, until 1986, the con
of a credit agreement with th
national Monetary Fund.

A planned rescheduling of $
lion in commercial debt matu
tween 1985 and 1991 may also
layed, since foreign banks h
sisted on fund approval of
stabilization program befor
pleting their stalled negotiat

After meeting President J
ney in Brasília last week,
Reed, chairman of Citicorp, s
"it has been our philosophy t
the guidance of the I.M.F
added that "the President c
to us his feeling that Braz
time to restructure its econo

If formalized, the Brazilia
would confirm recent signs t
pansionist" economists in th
ning Ministry who believe
should pay less heed to I.M
mands are winning an emi
ingly public battle against m
thodox" monetarists in the
Ministry.

'Studying the Idea'

"We're studying the idea,"
nance Minister, Francisco D
said last week. "There
schools of thought here. One
an immediate agreement, t
wants to break with the Fu

In recent public statement
dent Sarney has echoed the

Continued on Page D2

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U.S. Department of Justice
Washington, D.C. 2053.

Short-form Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

Each partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related or similar capacity.

1. Name Kimberly Sue Olson	Registration No. 3597
2. Residence Address 225½ C Street, N.E. Washington, D.C. 20002	3. Business Address 1200 New Hampshire Ave., N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958 Arlington, VA Present Citizenship United States	5. If present citizenship was not acquired by birth, indicate when, where, and how acquired.

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file this statement?

Name APCO Associates Address 1200 New Hampshire Ave., N.W.
Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association

9. Indicate your connection with the individual or organization named in Item 7:
☐ partner ☐ director ☒ employee
☐ officer ☐ associate ☐ agent
☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If you are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be used.)*

As Legislative Associate, Washington Services at APCO for the Canadian Forest Industries Council project only, I will perform all necessary functions in that capacity.

RECEIVED
CRIMINAL DIVISION
JUN 6 9 24 AM '85
INTERNAL SECURITY
SECTION
REGISTRATION UNIT

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11. Do any of the above described services include political activity as defined in the footnote below?
☒ Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined in the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
☒ full time basis ☐ part time basis ☐ special basis

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____
☐ Fee: Amount $ _____ ☐ Other thing of value */

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount
I receive a regular salary plus out-of-pocket expenses		

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with an election to political office or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

June 5, 1985 — Date of Signature

Kimberly Olson — Signature

Subscribed and sworn to before me at Washington, D.C.

this 5th day of June, 19 85.

Margaret A. Vance — Signature of notary or other officer

My commission expires June 4, 1986.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/ My salary is paid on an annual basis in semi-monthly installments for time spent only on Canadi-- Forest Industries Council and administrative matt--s.

8 2 0 4 0 7 0 2 2 2 7

U.S. Department of Justice
Washington, DC 20530

Amendment to Registration Statement
Pursuant to the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0004
Approval Expires Oct. 31, 1983

1. Name of Registrant	2. Registration No.
APCO Associates	3597

3. This amendment is filed to accomplish the following indicated purpose or purposes:

- ☐ To correct a deficiency in
  - ☐ Initial Statement
  - ☐ Supplemental Statement for _____
- ☒ To give a 10-day notice of a change in information as required by Section 2(b) of the Act.
- ☐ Other purpose *(specify)* _____
- ☐ To give notice of change in an exhibit previously filed.

4. If this amendment requires the filing of a document or documents, please list-

Exhibits A & B

5. Each item checked above must be explained below in full detail together with, where appropriate, specific reference to and identity of the item in the registration statement to which it pertains. If more space is needed, full size insert sheets may be used.

This amendment to Registrant's Registration Statement is to give notice of a new foreign principal of the Registrant, the Canadian Forest Industries Council, and to file the necessary Exhibits A & B.

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The undersigned swear(s) or affirm(s) that he has *(they have)* read the information set forth in this amendment and that he is *(they are)* familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his *(their)* knowledge and belief.

Margery Kraus

(Both copies of this amendment shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at Washington, D.C.

this 20th day of May, 1985 Margaret A. Cavanaugh
(Notary or other officer)

My commission expires June 1, 1986

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U.S. Department of Justice
Washington, DC 20530

Exhibit A
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1124-0003
Approval Expires Oct. 31, 1983

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant	2. Registration No.
APCO Associates 1200 New Hampshire Avenue, N.W. Washington, D.C. 20036	3597

3. Name of foreign principal	4. Principal address of foreign principal
Canadian Forest Industries Council	85 Albert Street Ottawa, Ontario Canada K1P 6A4

5. Indicate whether your foreign principal is one of the following type:

- ☐ Foreign government
- ☐ Foreign political party
- ☒ Foreign or ☐ domestic organization: If either, check one of the following:
  - ☐ Partnership
  - ☐ Committee
  - ☐ Corporation
  - ☐ Voluntary group
  - ☐ Association
  - ☒ Other (specify) Council
- ☐ Individual—State his nationality

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant. N/A

b) Name and title of official with whom registrant deals.

7. If the foreign principal is a foreign political party, state:

a) Principal address N/A

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

The foreign principal aims to provide a vehicle through which the forest industries of Canada, as represented by their respective associations may actively support common national or regional objectives. With reference to the U.S., the foreign principal tries to ensure the long term viability of the forest industries by defending them against trade restrictions.

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b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Directed by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Financed by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Subsidized in whole by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Subsidized in part by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page may be used.)*

The foreign principal is owned, directed, controlled and financed by the following Canadian associations:

Alberta Forest Products Association
Canadian Lumbermen's Association
Canadian Pulp and Paper Association
Canadian Wood Council
Cariboo Lumber Manufacturers' Association
Central Forest Products Association, Inc.
Council of Forest Industries of British Columbia
COFI-Northern Interior Lumber Sector
Interior Lumber Manufacturer's Association
Maritime Lumber Bureau
New Brunswick Forest Products Association
Nova Scotia Forest Products Association
Ontario Forest Industries Association
Ontario Lumber Manufacturers Association
L'Association des Industries Forestieres du Quebec Limitee
The Western Plywood Manufacturers Association

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10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

U.S. Department of Justice
Washington, DC 20530

EXHIBIT B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Oct. 31, 1983

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	Canadian Forest Industries Council

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

See Number 4 Below.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

The fee for such services is to be determined based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1]
Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant will engage in political activities on behalf of the foreign principal. The Registrant's activities may on occasion include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with Members of the U.S. Senate and House of Representatives and their staffs relating to legislation and other actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other forest products from Canada.

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Date of Exhibit B	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or ...y other way influence any agency or official of the Government of the United States or any section of the p... within the United States with reference to formulating, adopting, or changing the dom... or foreign policies of the United States or with reference to the political or public interests, policies, or relation... overnment of a foreign country or a foreign political party.

Attachment 1

APCO Associates

Board of Directors

Dennis G. Lyons	1203-S. Watergate East 2500 Virginia Ave., N.W. Washington, D.C. 20037	Chairman	U.S.
Myron P. Curzan	5519 Uppingham St. Chevy Chase, MD 20815	Director	U.S.
G. Duane Vieth	3717 Cardiff Road Chevy Chase, MD 20815	Director	U.S.
Stuart J. Land	1816-24th St., N.W. Washington, D.C. 20008	Director	U.S.
Murray H. Bring	7013 Heatherhill Rd. Bethesda, MD 20034	Director	U.S.
James F. Fitzpatrick	3848 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Norman M. Sinel	3710 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Michael N. Sohn	6806 Florida St. Chevy Chase, MD 20015	Director	U.S.
David R. Kentoff	8416 Fox Run Potomac, MD 20854	Director	U.S.
Margery Kraus	9609 Whitecedar Ct. Vienna, VA 22180	Director	U.S.

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APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 872-3665

FOR IMMEDIATE RELEASE

Margery Kraus
APCO Associates
(202) 872-3665

NEW DEVELOPMENT CONSULTING GROUP

ANNOUNCED BY ARNOLD & PORTER

Washington, D.C., March 29--Arnold & Porter, the 37-year-old Washington-based law firm, one of the city's largest, today spawned a new consulting group to provide the full range of services required for private and government development projects.

The new organization, APCO Associates, the Arnold & Porter Consulting Group, will extend the services normally available in a law firm to include the full range of disciplines necessary to assist in the planning of complex development projects. These include financial, marketing, management and development services.

Through an affiliated company, MPC & Associates, Inc., implementation services will also be offered to public and private entities undertaking these development projects.

This combination of services is specially designed to provide development expertise for institutions of learning, cities, non-profits and private/ public partnerships in dealing with private and governmental sectors.

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Announcing establishment of the new group, Myron P. Curzan, an Arnold & Porter partner and president of APCO, said: "Throughout its history Arnold & Porter has delivered a full range of traditional legal services to clients in the public and private sectors. The complexity of the economic environment of the 1980's has created a new set of problems requiring innovative solutions, often involving a disparate set of actors from the public and private sectors. In order to respond to these changing needs and to changes in the practice of law, Arnold & Porter has created APCO -- The Arnold & Porter Consulting Group."

Dennis Lyons, another Arnold & Porter partner, is chairman of APCO. The firm decided on a non-lawyer and outsider to serve as Chief Operating Officer and Executive Vice President of APCO. She is Margery Kraus, until now Vice President of the Close Up Foundation, a multi-million dollar educational foundation which develops citizenship education programs. Mrs. Kraus, who is married and the mother of three children, has had thirteen years of varied management and development experience. She is also a member of the board of directors of Intervest, Inc., a real estate investment firm.

APCO has offices in the Thurman Arnold Building, 1200 New Hampshire Avenue, N.W.

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BIOGRAPHICAL SKETCH OF

MYRON P. CURZAN

Mr. Curzan joined Arnold & Porter in 1967 and became a partner in the firm in 1973. In his work at the firm, he has specialized in development projects relating to real estate and telecommunications. These projects have included the development of the satellite interconnection system for public broadcasting, the creation of the delivery mechanism to provide closed captioning services to the hearing-impaired, and the representation of various foundations, governmental entities, community development corporations, and private companies on the use of federal programs and appropriate development procedures for financing and managing large-scale real estate projects that utilize public and private capital.

Over the years, Mr. Curzan has served on a number of national committees and task forces in conjunction with his work in the housing field. Some of these include work as the Executive Director of the Task Force on Improving the Operation of Federally Insured or Financed Housing Programs established by the National Center for Housing Management, counsel to the HUD-established Task Force on Housing Management, and member of the Advisory Board of the Bureau of National Affairs Housing and Development Reporter.

In addition to this work at Arnold & Porter, Mr. Curzan has served as a Director of the Scovill Manufacturing Company, 1972-1978; and a Director of the Council on Public Interest Law, 1978-1980. He is currently a Director of Connecticut Mutual Life Insurance Company.

Mr. Curzan received his B.A., magna cum laude, Phi Beta Kappa from Columbia College. He was selected as a Woodrow Wilson Fellow and received his M.A. from Yale University. His LL.B., magna cum laude was received at Columbia Law School where he was a Harlan F. Stone Scholar and a member of the Columbia Law Review. He is married and lives with his wife and three children in Chevy Chase, Maryland.

APCO ASSOCIATES
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BIOGRAPHICAL SKETCH OF

MARGERY KRAUS

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

Mrs. Kraus joined APCO Associates as its chief operating officer on February 1, 1984. Prior to that time, she was Vice President for the Close Up Foundation, a multi-million dollar educational foundation which develops political education programs for high school students and teachers on a national basis.

During her 13 years at the Close Up Foundation, she played a key part in developing the organization from a $100,000 per year operation with five employees to a $15 million per year organization with over 150 employees. Mrs. Kraus had direct responsibility for both administration and program development, in addition to fundraising and legislative relations. Among her many accomplishments at Close Up was the development of the Close Up Telecommunications Project, which now provides over 100 live television programs a year to schools and homes around the country on the Cable Satellite Public Affairs Network (C-SPAN).

Mrs. Kraus' outside activities include membership on the Board of Directors of Intervest, Inc., a real estate investment and management firm and membership on the Educational Task Force of Project '87, an effort to commemorate the Bicentennial of the Constitution. She is also a regular correspondent to a series of women's newspapers through a monthly column, Washington Watch. Mrs. Kraus is listed in Who's Who of American Women.

Mrs. Kraus received a B.A. from Knox College and American University, magna cum laude with honors in government. She received an M.A. in Government and Public Law from American University. She is married and lives with her husband and three children in Vienna, Virginia.

THE APCO STORY

THROUGHOUT ITS HISTORY, ARNOLD & PORTER HAS DELIVERED A FULL RANGE OF LEGAL SERVICES TO CLIENTS IN THE PUBLIC AND PRIVATE SECTORS. MANY OF THESE SERVICES HAVE INVOLVED THE DEVELOPMENT OF PROJECTS THAT REQUIRED INTERDISCIPLINARY APPROACHES TO THE SOLUTION OF COMPLEX PROBLEMS.

IN ORDER TO OFFER A WIDER RANGE OF SERVICES, ARNOLD & PORTER HAS ESTABLISHED A CONSULTING FIRM, APCO ASSOCIATES, TO SERVE CLIENTS IN THE PUBLIC AND PRIVATE SECTORS WHO ARE PLANNING OR IMPLEMENTING COMPLEX DEVELOPMENTAL PROJECTS.

INITIAL AREAS OF CONCENTRATION FOR APCO WILL INCLUDE THE FOLLOWING:

- SERVICES TO UNIVERSITIES REGARDING THE USE OF THEIR PROPERTY AND THE DELIVERY OF SERVICES TO BOTH THE CAMPUS AND OUTSIDE COMMUNITIES; THE EXPANSION OF UNIVERSITY MEDICAL BASED FACILITIES; AND THE DEVELOPMENT OF APPROACHES FOR EXPANDING FINANCIAL RESOURCES AND INVESTMENT OPPORTUNITIES OF INSTITUTIONS OF HIGHER EDUCATION.
- SERVICES TO PRIVATE ENTITIES FACING UNIQUE DEVELOPMENT AND INVESTMENT PROBLEMS THAT REQUIRE INPUT FROM MULTI-DISCIPLINARY CONSULTING TEAMS.
- SERVICES TO LOCAL GOVERNMENT THAT INVOLVE THE DEVELOPMENT AND FINANCING OF REAL ESTATE VENTURES IN WHICH THESE GOVERNMENTAL ENTITIES WILL HAVE AN ONGOING INTEREST.
- LOBBYING AND INFORMATION SERVICES TO AID LOCAL GOVERNMENTS AND OTHERS IN DEALING WITH WASHINGTON-BASED PROBLEMS.

APCO WILL BE GUIDED BY A BOARD OF DIRECTORS COMPOSED OF NINE SENIOR PARTNERS OF ARNOLD & PORTER. THE COMPANY WILL BE MANAGED BY MYRON P. CURZAN, AN ARNOLD & PORTER PARTNER, WHO WILL SERVE AS ITS PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND BY MARGERY KRAUS, FORMERLY VICE PRESIDENT OF THE CLOSE UP FOUNDATION, WHO WILL SERVE AS APCO'S EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER.

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APCO
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FIRM PROFILE

APCO Associates, The Arnold & Porter Consulting Group, was recently formed as a spinoff of the Washington law firm of Arnold & Porter. It is headed by Myron P. Curzan, an Arnold & Porter partner who specializes in the planning and development of real estate and telecommunications projects for private and nonprofit institutions, and Margery Kraus who recently joined APCO after 13 years in the management and financing of development projects for nonprofit organizations.

APCO brings to its projects a multi-disciplinary approach to problem-solving and development issues. It utilizes both the talents of Arnold & Porter attorneys and the non-legal professionals of APCO and the firms with which it contracts. APCO draws upon four kinds of skills as it works with clients: legal, financial, marketing, and development.

APCO normally uses a three-phased planning process that assumes full client participation at each step. Simple but critical questions lie at the heart of each phase.

I. CAN THIS PROJECT BE DONE?

A multi-disciplinary feasibility study is done to determine:

- whether the basic concept of the project is sound and whether the client's objectives are clear;
- the range of legal, financial, marketing, management, and development options available for successfully implementing the project;
- the resources that can be called upon by the client or by the project;
- the magnitude of the potential obstacles to a successful outcome for the venture; and
- the long-range potential of the project for success in light of the client's goals.

II. WHAT APPROACH(ES) SHOULD BE TAKEN TO ACHIEVE THE CLIENT'S GOALS?

APCO and the client draw up a total plan for the entire project. The plan:

- begins with an analysis of each factor affecting the outcome;
- indicates the relevant expertise for dealing with each problem;
- suggests the action options most suited to achieving the client's objectives; and
- sets forth the timing for each phase of activity.

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III. HOW SHOULD WE IMPLEMENT THE PLAN?

Once it is determined that the project can be accomplished and a sound approach has been devised to bring it to fruition, the implementation process begins. APCO or its sister corporation will then--at the client's request--take responsibility for various aspects of the project. APCO's services include:

- marshalling the diverse resources that the project requires and bringing them to the development process in a timely way;
- managing the professionals who are needed to carry out the plan;
- providing an "early warning system" that signals difficulties and then working with the client to design appropriate responses;
- providing the client with periodic and realistic assessments of progress; and
- developing a long-term operations and management program for the venture.

APCO'S CLIENT SERVICES

APCO's services are designed for clients as diverse as its services. They include:

- Services to Universities. APCO works with public and private universities to help them make the best use of their increasingly limited resources. APCO

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personnel have developed innovative approaches for the development of faculty and student housing as well as multi-purpose university facilities.

- Services to Cities. APCO works with cities to overcome problems relating to the creation of new services and the redeployment of local resources. Recent projects undertaken by APCO and Arnold & Porter personnel have involved the planning and franchising of cable television and the review of multi-use real estate ventures.

- Services to Nonprofits and Private/Public Partnerships. APCO works with profit-making and nonprofit entities to devise unique approaches to the commencement of new services and the solution of problems that are interfering with current services. APCO personnel have worked on a wide range of programs; from expanding television offerings for the hearing impaired to ensuring a future for a prominent symphony.

- Washington Services. APCO, working closely with professionals at Arnold & Porter, has extensive experience in dealing with the federal government--on Capitol Hill, in the Executive Branch, and at the regulatory agencies. If the problem requires a Washington-based solution, APCO can normally provide the necessary assistance.

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Personalities

By Chuck Conconi
Washington Post Staff Writer

Circulating around Capitol Hill this month is a handy handbook for members of Congress. The booklet, "Politicians and Their Spouses' Careers," covers a subject the Founding Fathers never anticipated: the spouse's job. Former Capitol Hill administrative aide **Marc K. Miller**, the author of the book, said the need for such a booklet became apparent to him when Democratic Party vice-presidential candidate **Geraldine Ferraro** was called to answer questions about her husband's business activities.

Miller said his serious and almost academic work is for all those two-career marriages that are going to increase as congressional couples attempt to survive in Washington on a legislator's salary. There are, he added, few rules or guidelines to keep them out of trouble.

The book even includes a detailed legal and ethical checklist the working couple is to answer. It can, however, all be summarized in one standard, Miller said: "How would you feel if anything about your career appeared on the front page" of your local newspaper?



FATHER GILBERT HARTKE

End Notes

In one of those unexpected turns of events, Viking Penguin will publish an authorized biography of **Anatoly B. Shcharansky**, the Jewish dissident who was allowed to leave the Soviet Union last week and is now living in Israel. When the publishers contracted for the work with British historian **Martin Gilbert**, a portion of the proceeds was to go to a fund for the Shcharansky family to continue to seek his freedom. That agreement remains now that he is free and the book is even more timely. Gilbert, who is the author of an eight-volume life of Winston Churchill, also wrote "The Jews of Hope," about Soviet dissidents, and "The Holocaust." A copy of the finished manuscript is to be sent to Shcharansky . . .

Father **Gilbert Hartke**, one of the fathers of Washington theater, is in critical condition with multiple heart and kidney ailments at Providence Hospital, where he has been since Feb. 12. The 78-year-old Dominican priest, who founded and was chairman of Catholic University's theater department for nearly 40 years, has had a number of hospitalizations over the past year. Since October, he has been hospitalized seven times . . .

Syndicated columnist **Art Buchwald** hosted a salute at New York University's Tamiment Library Wednesday to honor **Virginia Durr**, an 82-year-old civil rights activist from Alabama who published her autobiography, "Outside the Magic Circle," at the end of last year. Buchwald staged a "This Is Your Life" presentation. Among the guests were television newsman **Mike Wallace**, **Bobby Kennedy Jr.**, authors **Carlos Fuentes** and **William Styron** and cartoonist **Jules Feiffer** . . .

Pop star **Madonna** and her tough-guy actor husband **Sean Penn** arrived in West Berlin yesterday surrounded by 15 bodyguards to keep the photographers and fans away. They traveled there from Hong Kong, where they were shooting a movie together, to attend the Berlin Film Festival. Penn is starring in the movie "At Close Range," which is being premiered there. Since Penn hates photographers so and has been in a few fights with them, the newsmen might have been thankful that the squad of bodyguards was present to keep Penn away from them . . .

Federal spending cuts of the kind mandated by the Gramm-Rudman-Hollings act hit home for Illinois Rep. **Lane Evans**. His 58-year-old father **Lee Evans** is now out of work. He was one of four people laid off in Rock Island, Ill., because of cutbacks in the federal community development block grants the city receives. Evans, who voted against Gramm-Rudman-Hollings, said he knew the legislation could possibly affect his father, but he isn't worried about him. He said, "He's an old salt from the Navy. He's been through worse, and he'll get through this. It's going to mean far worse things to less advantaged people. I'm concerned how all these program cuts are going to affect those people" . . .

Vice President **George Bush** was in Cheyenne, Wyo., Wednesday where he met with **John** and **Missy McPhillips**, the brother-sister fourth graders who are attempting to get elementary school children to raise money to build a new space shuttle. NASA isn't keeping separate counts on how much money the space agency has received from individual groups to build another Challenger, but so far a total of $23,000 has been donated. At the billion-dollar-neighborhood cost of a new Challenger, the school kids have a long way to go . . .

Personalities

By Chuck Conconi
Washington Post Staff Writer

First Lady **Nancy Reagan** is expected to give an official endorsement early next month to an 11-hour antidrug rock concert that will be broadcast by satellite to 150 nations, including the Soviet Union. Titled the Concert That Counts, the April 26 event, at a location yet to be decided, will include some of the biggest rock stars, according to the Los Angeles Times.

Since it is not a fund-raising concert, the big acts will be paid to perform. The purpose of the event is to deglamorize drug and alcohol use by showing big-name rock stars who do not indulge. The **Pointer Sisters** and **Toto** have signed up and on March 3 it will be announced which other stars will participate. Global Media Inc., the organizer, hopes to hold the concert at the Rose Bowl, but neighbors have protested. Alternative sites are the Los Angeles Memorial Coliseum and the Pontiac



ASSOCIATED PRESS

Barbara Sinatra presents a trophy to Charles and the polo team he played with in California.

Millionaire Michael Deaver?

Since leaving the Reagan White House, **Michael Deaver** has been so successful in his public relations firm that Newsweek magazine is reporting that it is "almost certain" he has become a millionaire in the nine months since he left as deputy chief of staff. Deaver's quick success and his continued close association with **President** and **Nancy Reagan** have been the subject of previous press scrutiny.

In the current Newsweek article, titled "Cashing In on Reagan: A New Breed of Access Peddler Makes It Big," Deaver's new Georgetown-based firm is described as "one of the hottest startup ventures this side of Silicon Valley." Cashing in on political contacts and friendships is not a new thing to Washington, but the article says about a dozen former Reagan campaign aides and campaign officials operating with White House access have, according to one unidentified source in the article, caused concern that it's only a matter of time before there is a "major Washington political scandal involving this new breed of access peddlers."

End Notes

The various charity auction fundraisers around town try to outdo themselves each year by having a special item that will surely attract attention—for example, an antique automobile or a round trip to some exotic port. The Georgetown Preparatory School hasn't come up with that kind of glittery exotica. It is offering a 900-pound Black Angus steer, five or boxed. Now who could accept it boxed? If you brought it home to Georgetown or Potomac, it would make a trend-setting pet. Besides, red meat isn't good for you . . .

Royal Watch: **Prince Charles** left for home yesterday after resting up in the refined comforts of the Annenbergs' palatial Rancho Mirage, Calif., estate. After his whirlwind five days in Texas celebrating the state's 150th birthday, the traveling prince came to the home of former ambassador to the Court of St. James's **Walter Annenberg** and his wife **Leonore**, former U.S. chief of protocol, for some sunshine and polo. The team Charles rode with Saturday won the match and **Frank Sinatra**'s wife **Barbara** presented the prince with a trophy. Charles said he needed the exercise badly "and my liver needs it even more so." Then he quickly added: "They have very good food in Texas." Nice catch, Charles. Those Texans don't take kindly to such aspersions on their cuisine . . .

Royal Watch, Pacific Theater: Meanwhile mom **Queen Elizabeth** and dad **Prince Philip** are in Auckland, New Zealand, where yesterday the queen was hit in the leg with an egg thrown by a young woman protesting her visit. Another young woman threw an egg that hit the royal car. The queen appeared visibly upset by the attacks. There is also the possibility the Royal Couple may face, so to speak, a traditional Maori insult called "whakapohane:" a "21-bum salute," the baring of buttocks. If the whakapohane ever catches on here, it won't be safe for politicians to go out in public again . . .

Fiscal cutbacks are creating a new kind of social activist. Beginning March 9, the Library of Congress will be closed on Sundays and evening hours will be all but eliminated, making it truly a service available virtually to only Congress. Librarian of Congress Daniel J. Boorstin has expressed his concern, and tonight a candlelight vigil of students, professors and representatives of The blind will gather in front of the Jefferson Building. And even social activist for the homeless and hungry Mitch Snyder said he might attend.

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doors

...ers, both expected that Mandan merchants have ...essed concern about ...e of business as a result ...elopments.

...dan Penney's store has ...sting on a month-to- ... for the last four or five ... decision to close took a ... make," Kraft said.

... district offices in ...o., had no prepared ...bout the store's closing. ...ment was immediately ...om the district man-

...Penney's store was ...20.

slide

...at slide would ...uld start 25 feet ...und at Hillside.

...cost of that slide ...re expensive than the ...d, Ripley said, be... support beams would ...

...ng expenses would be ...the Ranger uses less ...consequently, needs a ... pump.

...nt low bid of $173,998 ...d by Basin Builders, ...ly by the John Larson ... $174,200. The highest ... was from Associated ... All bidders are from ...

...Tuesday night," Stowell said. "...this pretty emotional situation." ... said in an interview today that ... the court system did a great "injustice to Gary Dotson by sending him back to prison."

She said "it wasn't just my testimony but the testimony of six other alibi witnesses to prove his innocence.

...found Thursday to free Dotson, ... Edmunds ruled that Dotson "failed to sustain his burden of proof, and I cannot find that perjury was committed."

..."He's innocent! ... He's innocent!" screamed Webb as she was led from the courthouse Thursday supported by her husband and

...More on RAPE, Page 8A

Dorgan to tie knot for the third time

Rep. Byron Dorgan plans to be married this weekend in Washington state, according to a district staff assistant, Lucy Calautti.

Calautti said Dorgan, who has been married twice, will wed Kim Olson of Washington, D.C. However, Calautti said she was unaware of details.

Washington aide Pat Carlson confirmed the Democratic congressman's marriage plans and said Dorgan, 42, plans to be back in Washington by the middle of next week. He said Dorgan has told staff members little about his impending marriage.

Byron considers this a personal matter, Carlson said.

Calautti said she does not know Olson's occupation.

"It's just that Byron is very personal about his personal life," she said. "He doesn't consider this something of public note."

Carlson said he did not know Olson's age, whether she had been married before, or the specific location of the wedding.

Dorgan, who has two children, was elected to the U.S. House in 1980 and was re-elected last November in a one-sided contest over Lois Altenburg of Fargo.



Dorgan is telling little about his marriage plans

A member of the House Ways and Means Commission, Dorgan was defeated in his first bid for a House seat in 1974. Dorgan is a native of Regent and has a bachelor's degree in business from the University of North Dakota and a master's degree from the University of Denver.

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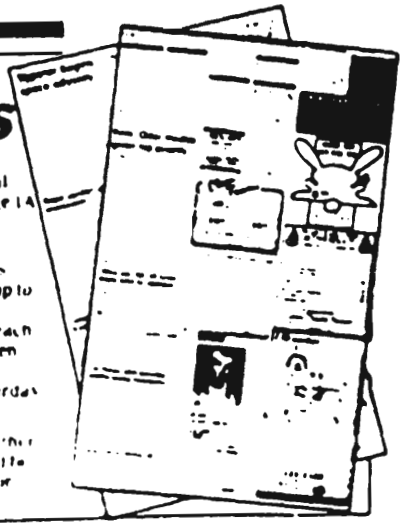
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The change will free Page 2A for national news, which is sometimes crowded off Page 1A by local and state news.

Page 2A will also be the location of a new category of advertising called Instant Ads. Instant Ads for this page will be accepted up to 11 a.m. on the day of publication, offering merchants and others the opportunity to reach customers much more quickly than has been possible in the past. The deadline is 5 p.m. Friday for Saturday's paper and noon Saturday for the Sunday paper.

To make room for the new features, weather and Subs section entertainment pages will be moved forward two pages in the first section.



PR 12

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Fargo Forum

Dorgan won't share private life with public

By Cathy Mauk
STAFF WRITER

He'll tell you he lives on Capitol Hill, half a block south of the Hart Senate Office Building, and that for relaxation he plays tennis and basketball, and that the main reason he moved from Dupont Circle to The Hill three years ago was to avoid traffic jams.

But Rep. Byron Dorgan, D-N.D., believes in separating his job from his personal life, and he denied — politely, good-naturedly and quite firmly — The Forum's request for an interview in his home.

"I find that public life is difficult enough without making my private life public, too," Dorgan said.

"You can take a picture of the outside of my house," he said. "I'll give you the keys and you can go in and take pictures of the inside of the house. But you won't take a posed picture of Mr. and Mrs. Byron Dorgan at home. I won't do that."

Nor will Dorgan discuss his April marriage to Kim Olson of Washington. "Things get out and people read them in newpapers" Dorgan said. "That's unavoidable. But I don't think my personal life has anything to do with doing my job as a representative."

Dorgan said that while his home life is off limits to the public and the press, he makes a special effort to be accessible to his constituents. So he lists his phone number in the Washington directory. "And unlike most (congressmen) I don't screen my office calls," he said. "I hate it when you call someone and the receptionist asks 'May I tell him who's calling' or 'May I tell him the nature of your call?'"

Part of what's difficult about public life, Dorgan said, is the pace. "You start out knowing that 30 weekends a year you're going to be working," he said "You fly out to the district Friday, fly around the district Saturday, fly back to Washington Sunday and you end up working seven days a week."

So it's important to set priorities, Dorgan said, and to keep home separate from job. "One thing that's essential in public life is deciding what you can and cannot do," he said. "You could be out at a reception every night. If you're going to have any discipline at all you must set limits on what you can and cannot do.

"Or," he said with a smile, "on what you will and will not do."

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Fargo Forum

Interviewing Dorgan at home a reasonable request

A quotation by Rep. Byron Dorgan in The Forum states in part, "I find that public life is difficult enough without making my private life public, too."

Maybe Dorgan feels that his recent third marriage to Kim Olson of Washington is a political liability, which he does not care to have aired by the press.

I do not think The Forum was making an unreasonable request when asking for an interview with Dorgan in his home. The function and duty of a newspaper is to keep the public informed.

Dr. H.C. Hawn
Fargo

JUN 17 1985

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Minot News

Anonymous Spouse?

Always adept at handling the media, Congressman Byron Dorgan has brushed aside most inquiries concerning his recent marriage. The press in North Dakota isn't particularly intrusive. Disclosure of non-eventful personal information, whether by public figures or private citizens, is generally a matter of personal choice.

But Dorgan apparently isn't satisfied with the status quo. Annoyed that even a few facts were reported, he is pushing for more than privacy: His new bride would not only be sheltered, but anonymous, as hidden as the wife of Yuri Andropov, whose existence wasn't confirmed until the Soviet leader's death.

Back here in North Dakota, that's a bit hard to swallow. Hardly a week goes by that The News doesn't turn down somebody's request to keep a marriage license out of the paper. It's a matter of public record.

And, to borrow one of Dorgan's favorite pejoratives, it would be "nonsense" to accept his basic premise: that there is no connection between a person's personal and work lives. It just isn't so, especially when you're an elected official.

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DIVISION OF HEALTH

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STATE OF WASHINGTON DEPARTMENT OF SOCIAL AND HEALTH SERVICES
VITAL RECORDS

CERTIFICATE OF MARRIAGE

T46-8 5 09254
STATE FILE NUMBER

COUNTY SNOHOMISH 4/17/85

1 CERTIFY THE PERSONS NAMED BELOW WERE MARRIED ON	2 DATE(MO DAY YR) April 13, 1985	3 COUNTY Snohomish	4 RELIGIOUS DENOMINATION (SPECIFY) Previous	5 DATE SIGNED(MO DAY YR) April 13, 1985
6 OFFICIANT X		6 OFFICIANT ADDRESS 215 Muklteo Blvd Everett, WA 98203		
7 NAME FIRST MIDDLE LAST Byron Leslie Dorgan			8 BIRTHDATE(MO DAY YR) 5-14-42	9 BIRTHSTATE(IF NOT USA GIVE COUNTRY) N.D. USA
10 USUAL RESIDENCE(NUMBER AND STREET) 225 E. C St. NE	11 CITY/TOWN/LOCATION Wash	12 INSIDE CITY LIMITS(YES/NO) DC ND	13 COUNTY	14 STATE DC
15 FATHER'S NAME Emmett Dorgan	16 BIRTHSTATE(IF NOT USA GIVE COUNTRY) Jan 3, 1909	17 MOTHER'S MAIDEN NAME Dorothy Bach		18 BIRTHSTATE(IF NOT USA GIVE COUNTRY) Jan 21, 1915
19 GROOM X Byron L. Dorgan				20 DATE SIGNED(MO DAY YR) 4-13-85
21 NAME FIRST MIDDLE(IF ANY) LAST Kimberly Sue Olson		22 MAIDEN NAME(IF DIFFERENT)	23 BIRTHDATE(MO DAY YR) 08/08/58	24 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA
25 USUAL RESIDENCE(NUMBER AND STREET) 221 C St NE	26 CITY/TOWN/LOCATION Wash	27 INSIDE CITY LIMITS(YES/NO) DC ND	28 COUNTY USA	29 STATE DC
30 FATHER'S NAME Herman S. Olson	31 BIRTHSTATE(IF NOT USA GIVE COUNTRY) DA	32 MOTHER'S MAIDEN NAME Anita J. Joergensen		33 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA
34 BRIDE X Kimberly Olson				35 DATE SIGNED(MO DAY YR) 4-13-85
36 WITNESS X Deborah Dreier		37 WITNESS X Darrell L. Dreier		
38 COUNTY AUDITOR X Ordwell Urban				39 DATE RECEIVED(MO DAY YR) APR 16 1985

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APCO ASSOCIATES FILE

APCO ASSOCIATES, a Washington, D.C. lobbying subsidiary of Arnold & Porter, a leading Washington law firm, has registered as a foreign agent under the U.S. Foreign Agents Registration Act of 1938, as amended.

The APCO ASSOCIATES registration file, available to the public, establishes that APCO ASSOCIATES is a registered foreign agent for the Canadian timber industry. The APCO ASSOCIATES file is available at:

Department of Justice
Foreign Agent Registration Unit
Library
Room 100
Federal Triangle Building
315 9th Street, N.W.
Washington, D.C.
(near corner of Pennsylvania Avenue).

The library is in Room 100 (on ground floor to the right as you walk into the lobby from the street) and is open from 10:00 a.m. to 4:00 p.m.

The APCO ASSOCIATES file is about ½" thick, making it one of the smaller files in the library. The Clerk on duty (usually one Mary Williams) will copy the file for 10¢ per page while you wait.

If the Clerk says the file is "out" and not available, persistence will usually produce it.

Arnold & Porter itself is also registered as a foreign agent for many foreign entities and has built up quite a large registration file.

MCC #9483

ORIGINAL

TRANSCRIPT OF PROCEEDINGS

BEFORE THE

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In Re:

MATTER UNDER REVIEW

2251

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DEPOSITION OF BERT RAND

Washington, D. C.

Friday, April 8, 1988

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In Re:
MATTER UNDER REVIEW
2251
- - - - - - - - - - - - - - - - - -x

DEPOSITION OF BERT RAND

Washington, D. C.

Friday, April 8, 1988

Deposition of BERT RAND, called for examination pursuant to notice, at the Federal Election Commission, 999 E Street, N.W., Room 657, at 10:07 a.m. before WENDY S. COX, a Notary Public within and for the District of Columbia, when were present on behalf of the respective parties:

PATTY REILLY, ESQ.
R. LEE ANDERSEN, ESQ.
Assistant General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463
On behalf of the FEC.

J. JONATHAN SCHRAUB, ESQ.
Golden, Freda & Schraub, P.C.
1625 Massachusetts Avenue, N.W.
Washington, D. C. 20036
On behalf of the Witness.

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CONTENTS

WITNESS	EXAMINATION
Bert Rand by Ms. Reilly	3

EXHIBITS

RAND EXHIBITS	IDENTIFIED
Exhibit 1	6
Exhibit 2	23
Exhibit 3	29
Exhibit 4	35

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PROCEEDINGS

Whereupon,

BERT B. RAND

was called as a witness and, having first been duly sworn, was examined and testified as follows:

EXAMINATION

BY MS. REILLY:

Q We are here at the Federal Election Commission this morning taking the deposition of Mr. Bert Rand pursuant to the Commission's subpoena power in MUR 2251.

Would you state your name, please.

A Bert B. Rand.

Q Are you represented by counsel here this morning, Mr. Rand?

A Yes; Mr. Schraub.

Q Did you provide any documents to the Commission responsive to the Commission's subpoena in this matter?

MR. SCHRAUB: Yes, we did.

THE WITNESS: Did I?

BY MS. REILLY:

Q Did you review any documents in preparation for your testimony this morning?

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A No.

Q Have you all documents responsive to the Commission's subpoena?

A I am sure we have.

Q Mr. Rand, what is your occupation?

A I am retired now.

Q What was your occupation before?

A I practiced law.

Q Where did you practice?

A Sorry, I didn't hear that.

Q Where did you practice?

A Oh, in Washington, D.C., and with an office in Washington, D.C.

Q What office was that?

A You mean where was it located?

Q And the name of it, please?

A Trammell, Rand, Nathan & Lincoln, 1000 Potomac Street, Northwest, Washington, D.C.

Q When did you retire from the firm?

A We actually closed the firm this past January 31, closed the offices, although we were virtually inactive for a couple of years before that.

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Q When you were at that address, Potomac Street address, did you share any space with any other persons?

A Well, we had our law firm, and we did share. We rented space to various people around the country who had dealings with us.

Q Did those people include the office of ~~Schraub~~ Schwabe, Williamson?

A Yes, ~~Schraub~~ Schwabe, Williamson, Wyatt, Moore and one other name, yes, from Portland and Seattle.

Q What sort of practice did ~~Nathan~~ Trammell Rand have?

A Well, each of us -- we were a shrinking firm for many years, as we got older. Each of us ended up practicing pretty much our own law. I am essentially, I suppose, a construction lawyer. Most of my life was spent in the construction business.

Q Did you do any sort of political practice representing political committees or candidates?

A No. Once I represented a congressman who was under fire many years ago for something, but that's the only political experience I have.

MS. REILLY: At this point I am going to hand to the court reporter what has been marked as Exhibit 1. I am

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going to hand one to the witness and to the witness' counsel.

(Rand Exhibit 1 identified.)

BY MS. REILLY:

Q I am going to ask you to take a moment and review this document, please.

A Okay.

Q Have you had a chance to review the document?

A Do you want me to read the whole document?

Q Do you recognize it?

A Well, I recognize the name, Steve Forrester's Northwest letter. It's dated June 24, 1985. I assume you are referring to something about the Canadian timber business, which is in here, first and second page.

Q Actually, if you could turn, please, to page 4.

A Oh, yes, you are right.

Q On the last item there --

A Yes.

Q -- which notes that one Kim Olsen is associated with APCO and that she will lobby for Canadian timber clients on the lumber imports issue.

A Yes.

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Q Do you recall seeing this item at any time prior to this?

A Well, I don't have a real recollection. I must have, because I remember the name Olsen, I remember the APCO and I remember the facts and I remember a forestry letter. I think this letter was sent to us, and I don't think I even read it. I gave it to Mr. Giesecke.

Q Who sent you the newsletter?

A A Mr. Wyatt, a fellow attorney in Portland, attorney and a close associate of mine.

Q What sort of practice does Mr. Wyatt have?

A Well, I think they are the largest firm in Oregon and cover the waterfront.

Q Do they deal in areas such as the timber industry?

A I am sure they do.

Q Do you recall discussing the newsletter with Mr. Wyatt?

A I think Mr. Wyatt called me and said, hey, something like this, do you know somebody named Olsen, a congressman's wife, or supposed to be a congressman's wife who has something to do with the timber industry? Out of that conversation, I can't remember any more of it, this

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letter or something like it was sent to us. I handed it to Mr. Giesecke to look into it.

Q At the time that Mr. Wyatt requested you to look into this matter, was there an understanding that Mr. Wyatt would pay for any expenses that would arise in conjunction with determining whether Ms. Olsen was married to the Congressman?

A No.

Q Was there ever such an arrangement?

A No. You must understand that we called each other still, once a week, perhaps, on various things, and I know you won't like my volunteering, but I would like to explain how this works, and you will have it some day in private practice, too. About a month ago I called Mr. Wyatt. I have to remove myself as counsel in an old case in San Francisco where a Portland federal judge is acting -- he has been appointed by the chief justice of the ninth circuit.

I said to him, find out for me, if you will, how I get out of this box I am in. The next thing I know, I get a big letter, petition for removal as counsel and so forth; so all the papers, for a very complicated proceeding in the northern district of California, apparently. All I need is an

affidavit from the two clients ~~from~~ for whom I am withdrawing, which I am in the process of getting.

Now, I didn't ask him to do that, and I don't know how many hours they spent on it or what young man had to draw up something, or whether my friend called the judge who may know as well or not. But this is the kind of thing you do in practice, when you have had a lot of work together. We once tried a case for six months together, six months to the day in Salem, Oregon. So I am very familiar with the situation.

Okay, I am sorry.

MR. SCHRAUB: Get it out of your system, ~~b~~Bert, and then don't do it again.

BY MS. REILLY:

Q Based upon the article, what did you then decide to do?

A Well, Mr. Giesecke had an office with us, and Mr. Giesecke is very familiar with the people out there. He actually worked for Mr. Wyatt's law firm back in the '60s, so I just turned it over to him. I was very busy then. My travel records will show I was out of the country at least six months of 1985 and 1986, both years. Really, if I spent three hours on this thing in two years, I would be

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surprised.

Q Did the law firm open a file on this matter?

A I assume Mr. Giesecke did.

Q Did you bill any time to the case?

A No.

Q In terms of Mr. Giesecke's arrangement with the law firm, was Mr. Giesecke paid for the activities that he undertook relating to the Dorgan and Olsen investigation?

A No, no.

Q Did Mr. Giesecke have an arrangement with the law firm whereby he would be paid on occasion for work that he did do for you?

A You know, of course, Mr. Giesecke is out of the State Department. He is retired from the State Department, and he worked on several matters that involved Sweden, where he was stationed, and Germany, where he was stationed, and he speaks fluent German, Swedish and I believe Dutch. On those cases -- and that was the origin of his connection with us -- he worked for several years on virtually a full-time basis and was paid for his work. Those had finished by the time this came along. I don't know what he was doing; he had a little practice of his own, too.

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Q Other than Mr. Giesecke and Mr. Wyatt, did you discuss the possible relationship of Congressman Dorgan and Ms. Olsen with anyone else?

A Well, when I was pressed by Mr. Giesecke to help, I called a Mr. Marion Harrison on the phone, and I made an appointment for lunch, I believe. At that time either Mr. Giesecke or myself, to the extent I knew it, described the situation to him.

Q Did you discuss this with Senator Andrews at all?

A No, no, no. I don't think I saw Andrews that fall --

MR. SCHRAUB: You have answered the question.

THE WITNESS: Yes, okay.

BY MS. REILLY:

Q Do you know a Peter Lind?

A Pardon?

Q Do you know a Peter Lind?

A Oh, yes, another good friend of mine.

Q Is Mr. Lind an attorney?

A Yes.

Q Where does he practice?

A In Seattle, Washington.

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Q Did you have occasion to call Mr. Lind and request him to get a marriage license of Congressman Dorgan and Ms. Olsen?

A I think I saw Mr. Lind. We had a matter in Everett, I believe, Everett, Washington, and I stopped by to see him. I think that I had been asked to ask him to get a document for me, and I did so.

Q When was this, approximately?

A I couldn't really tell you. It must have been late 1985.

Q Did you have a prior relationship, business relationship, with Mr. Lind?

A Oh, I have known Mr. Lind for many years. His family owns the famous hotel in Jerusalem his family built back in the 1800s. They had had some problem in collecting money in England. Long story, but, at any rate, I have known Mr. Lind for a long time.

Q Is it fair to say that the request that you made to Mr. Lind to provide the marriage license was a similar request that Mr. Wyatt had made to you, sort of an informal inquiry?

A Just an off-the-cuff accommodation. I think

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there's a marriage license here, somebody, one of the people in the office wants it, go get it.

Q What did Mr. Lind agree to do?

A I don't think he agreed to do anything. He got the document. All he had to do was make a telephone call, I suppose, and somebody sent it.

Q Had you ever asked Mr. Lind for a marriage license before?

A No. Not that I recall.

Q Did you give Mr. Lind any specific instructions as to whether he should discuss this matter or not?

A No.

Q Did Mr. Lind ask you why you wanted the marriage license?

A I really have no recollection. I don't even recall asking Mr. Lind to do it, but I must have done it.

Q Did Mr. Lind incur any costs in obtaining the marriage license?

A I don't know.

Q Did he pass any costs on to you?

A No.

Q After you obtained the marriage license of

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Congressman Dorgan and Ms. Olsen, what did you do with it?

A Well, I remember seeing one, but I don't remember whether it was sent to me or Mr. Giesecke or -- I don't know, I don't know.

Q Did you arrange to have a copy of Congressman Dorgan's marriage license from his second marriage copied in Las Vegas?

A Well, I was asked about that, and I believe I called Mr. Jones in Las Vegas and put Mr. Giesecke on the line to talk to him, I think, the best I can remember.

Q Now, had you had a prior relationship with Mr. Jones as well?

A Oh, yes. They were also a part of our office here, his law firm, as ~~Schraub~~ Schwabe was.

Q What law firm was Mr. Jones with?

A That's a long name, starts with Jones. That's all I can tell you.

Q Did Mr. Jones ask why you were interested in obtaining the marriage license?

A No, not that I recall.

Q Had you ever asked Mr. Jones to get a copy of a marriage license in the past?

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A No, I don't recall if I did.

Q What was the purpose of obtaining the marriage license?

A Mr. Giesecke wanted it, for one thing. Second, I assume, of course, that he was responding -- he was trying to establish that this woman was the wife of this Congressman.

Q Did Mr. Giesecke explain to you why it was important to have the second marriage license?

A Yes. He thought perhaps he ought to do a thorough job and make sure that this woman really was married to this fellow Dorgan. I don't know how many marriages he had, but apparently he had several of them, a number of them, in fact.

Q Did you give any specific instructions to Mr. Jones?

A To whom?

Q To Mr. Jones?

A No.

Q Do you recall when Mr. Jones furnished you with the license?

A No.

Q Do you recall when you asked him?

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A I don't -- I really don't recall anything about the Jones incident. Your asking about it reminds me we did get something, but I don't know. We were in constant communication also. We had some cases pending at the time.

Q The response which was filed in this matter states that Mr. Giesecke had occasion to go to the Department of Justice and copy some materials on a public record relating to Ms. Olsen's activities with the APCO company.

MR. SCHRAUB: Response states that Mr. Giesecke went to the Department of Justice on other matters, and happened to see that file there, and made copies of it after looking into it. He didn't go to the Justice Department in order to make those copies.

MS. REILLY: I didn't mean to imply that he did. We had testimony on that yesterday.

MR. SCHRAUB: All right.

BY MS. REILLY:

Q Did Mr. Giesecke show you the materials that were copied at the Department of Justice?

A Well, on the day that he was in the Department of Justice, (I made a mental note of this at the time.) I think I was just off Cape Horn in South America, and I had been away

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for almost two months. When I got back, about the first of March, he finally pushed his way in to see me and showed me some kind of -- described to me some kind of papers that he had stumbled on, I remember he said, at the Department of Justice, where he was doing some other work. Now, this was in 1986. I can place the dates from then on pretty well.

Q What was the substance of your conversation with Mr. Giesecke regarding the information in the package?

A You mean what he got at the Department of Justice?

Q Right.

A I don't recall. He explained to me what he had found, and he thought it was very important, and I remember that he was very shocked by it. I am not so easily shocked.

Q Did you indicate to Mr. Giesecke that he should conduct any further investigation regarding Ms. Olsen's activities?

A I believe it was the other way around. He said he would like to dig into this a little further, and he was willing to do it voluntarily, and he thought that Wyatt and perhaps others would appreciate it. And he wondered if I had any thoughts on it. I think the only thought I had was to

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find out whether this Congressman was in the timber business or not. And, at that point, I said, well, maybe you better get somebody who's been to North Dakota or knows somebody there. He didn't know anybody, so I called Harrison, who was then on the board of governors of the bar association and knew people, I assumed, in every state.

Q Did you discuss Mr. Giesecke's findings with Mr. Wyatt?

A I don't recall. Not at that time, anyhow.

Q Did you discuss them with anyone else?

A No. I have never read, as far as I can remember, I have never read what his so-called findings were.

Q Did Mr. Giesecke indicate to you why he was so interested in this relationship?

A He has a thing about the timber industry and sometimes I think almost feels he is a personal savior of it. He is just very interested. He is the kind of man if he gets interested -- he would be interested in cats, he would be interested in cats. Bicycles, he would be interested in bicycles. He is a very fine man. I am not running him down. I have been told that he was one of our best State Department men we ever had, particularly in Sweden.

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MR. SCHRAUB: Stay away from Fritz's past, okay.

THE WITNESS: Okay. But he does take things very seriously.

BY MS. REILLY:

Q It's fair to say that he took this possible conflict of interest very seriously?

A Very seriously, yes, constantly pressing me on it, much to my annoyance.

Q Did you have any indication that Mr. Giesecke was discussing this with anyone else?

A I think he was in touch with Mr. Wyatt.

Q Do you have any recollection of any conversations that you had with Mr. Giesecke in which Mr. Giesecke stated he had contacted Mr. Wyatt regarding this?

A No. But you must remember, he was down the hall from me. We could always stop in the hall and have a chat or something like that. I wouldn't remember now.

Q Do you recall Mr. Wyatt's reaction to the fact that Ms. Olsen may be lobbying her husband?

A Well, I only recall my conversations with him later, this was later in 1986, particularly when this got in the newspapers. He was interested because he is interested

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in the effect of any publicity on the timber industry. I wouldn't say he was excited about it or anything like that. As a matter of fact, he expressed to me at that time that the timber industry would work out of its problem with Canada, and sure enough, a few months later, I was surprised to read that they had.

Q Did Mr. Wyatt indicate to you that he had made this request regarding investigating the Congressman and Ms. Olsen at the request of a client of his own?

A Mr. Wyatt never asked me to investigate anything, never asked me to investigate the Congressman or his wife. Somehow, by sending this or calling me, he asked me to find out if this woman was the wife of a Congressman; I think at a later date, whether the Congressman had timber interests or not. That's the extent to which I know anything about it, and we never conducted an investigation. In my language, having practiced law for 40 years, an investigation is a very serious thing, and it takes a lot of time, people and effort. You don't talk to -- say hello to somebody in the hall and call it an investigation.

Q Did Mr. Wyatt indicate that what he had asked you to do, in other words, to determine whether the Congressman

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and Ms. Olsen were married, whether that was at the request of one of his clients?

A No, not that I recall.

Q Your response in MUR 2251 states "at one point Mr. Giesecke went to North Dakota and there had occasion to look at some clippings in the files of the Republican state party there." Did you discuss this trip with Mr. Giesecke before he left?

A This trip I recall.

Q Did you understand that Mr. Giesecke would be going to North Dakota to check into the Congressman's possible holdings and his relationship with Ms. Olsen?

A Well, this came about rather differently. I had a very difficult tax court problem in Salt Lake City, Utah. We were down to so few people, I had nobody left. I couldn't get out there. Someone had to attend a conference on the stipulation with the general counsel's office of Internal Revenue there, and I briefed Mr. Giesecke and asked him to do it.

Then I said to him, while you are at it, I may need some help in a rather nasty situation that's arisen in connection with a possible default occasioned by a trustee in

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Minneapolis, for some old clients.

I said, while you are at it, you could probably take some papers out on the Stone Hill case to Portland and deliver them to somebody in the Schraub firm, because his mother was dying or something and he wanted to go out there anyway, she was very ill.

In connection with that, he only wanted to stop in Bismarck, North Dakota, that's why I remember so well. I said, well, I don't know anybody who has ever been there except maybe a few people that live in North Dakota. But if you have the time, and you want to stop in North Dakota, it doesn't make any difference to me. But if you spend any money, we are going to charge it back to you, which I don't think ~~he~~ we ever did.

But, at any rate, he left me in Minneapolis and he went to North Dakota and then went to Salt Lake City, where he did an admirable job, by the way; and then, I think, on to Portland.

Q Did you provide him with the name of someone that Mr. Giesecke could speak to in North Dakota?

A I was in contact with two accounting firms, about four law firms, and I did ask several people; I had this

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associate with me -- he wasn't with me in this meeting, so somebody could call there where they knew -- where they call and introduce them, so he could find out where to go. He had never been to North Dakota in his life before, I don't think; and we gave him -- somebody called him, I think. They had somebody call him. I don't remember their name.

Q Did Mr. Giesecke make any other trips relating to Congressman Dorgan and Ms. Olsen?

A Not that I recall, no, but he might have if Mr. Giesecke was very seriously interested. At least at this point he didn't tell me.

MS. REILLY: At this point I will hand the court reporter what has been marked as Exhibit 2. One to the witness, the witness' counsel.

(Rand Exhibit 2 identified.)

BY MS. REILLY:

Q I want you to take a look at this, please, and familiarize yourself with it. Have you had a chance to examine the documents?

A Yes.

Q This purports to be a five-page exhibit. It consists of two pages of checks made out to Fritz Giesecke

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from the law offices of Trammell, Rand, two pages of American Express receipts from Mr. Giesecke, and a hotel bill of Mr. Giesecke's in Bismarck, North Dakota.

If you could turn to page 2 of your document, please, which is a check which states the purpose of it is for reimbursement due on trip of 12/1 to 12/7 charged to Western Timber/McFadden?

A Well, I don't know who Western Timber was. McFadden I know very well and had represented for 30 years, and corporations he was involved with. Had absolutely nothing to do with this. All of our activities with the McFadden group have been in Europe, in the construction business.

Q Western Timber, was that a client of yours as well?

A This was '85. By that time we were winding down, and had a terrible time with our records. Did these records come from their files?

Q Yes.

A They did?

Q In any event, you testified that Mr. Giesecke was told that he would have to go to North Dakota on his own.

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A I did tell him that.

Q Do you recall if he was actually charged?

A I don't think so, no. However, we have a trustee for the firm's affairs, the Peat, Marwick accounting firm. If I give this to them they will bill him. That would not make him very happy, I don't think.

Q When Mr. Giesecke returned from North Dakota, with the clippings that he had obtained from the state party there, did you discuss with him those clippings?

A No. I think this was in December, I think, when he came back, and this, I have some recollection, I said, look, forget this business. No one has asked me to do it, there is no importance to it, just forget it. I don't think I spoke to Mr. Giesecke again until March. I was in Europe the first part of January, and then we took this long Smithsonian -- or some trip around South America for a month and a half. Either I was ~~see~~ sea- sick or out of touch. I never called the office.

Q Did you sense that Mr. Giesecke was disappointed with your lack of interest on this?

A With what?

Q With your lack of interest on this matter.

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A Yes, I think he was.

Q Did you have a sense during that time that Mr. Giesecke was in contact with Mr. Wyatt regarding the news clippings he had found in North Dakota?

A I don't know. I don't think so. Mr. Giesecke is not the kind of man, if I told him forget it, who would do anything else.

Q Now, turning to the event of March, 1986, you previously testified you had a conversation with Marion Harrison.

A Had lunch with him.

Q Had lunch with Marion Harrison. Did Trammell, Rand have any business relationships with Mr. Harrison?

A Oh, yes. He had done quite a bit of work for us over a period of years. He had just tried a major court of claims case in which he was still involved under the old renegotiation law.

Q At this luncheon, did you discuss Congressman Dorgan and Ms. Olsen?

A Not as such. I think I said to him, can you help Fritz here make a contact in North Dakota. He wants to check out some other information, and particularly whether a

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Congressman Dorgan has investments in timber interests, and he also wants to check some kind of court records.

Q Was Mr. Giesecke at that luncheon as well?

A Yes, he was with me.

Q Did you give Mr. Harrison, or did Mr. Giesecke give Mr. Harrison any specific instructions about what they wanted him to do?

A I don't recall.

Q When you left the luncheon, did you have a sense that Mr. Harrison would hire a private investigator?

A No.

Q Were you subsequently surprised to find out that he had?

A Extremely so.

Q Did you recall giving Mr. Harrison any specific instructions about the need to keep the matter quiet?

A I asked Mr. Harrison if he could find somebody, Mr. Giesecke to talk to, who might give him a hand, accommodate him, if you want to use that word. He said he had a friend in Pierre, South Dakota, whom he thought might be of assistance, and he would contact him.

Q At that point, did you have any subsequent

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conversations with Mr. Harrison until he actually furnished you written materials?

A Well, not about this. I think we had a motion still pending in the court of claims that he called me on once. I am not sure of the dates. But this was a very short period. I saw Mr. Harrison after I came back, which must have been in March, '86, and this thing blew out of the water, about a month later or so, I think.

Q During this period between March and May.

A Yes.

Q Did you discuss with Mr. Wyatt the fact that Mr. Harrison had agreed to put Mr. Giesecke in touch with someone from North Dakota?

A No.

Q Did you have any conversations with Mr. Wyatt at all during this period relating to Congressman Dorgan and Ms. Olsen?

A I remembered talking to Mr. Wyatt sometime during that period, and he was already aware of this APCO thing, and I told him that Mr. Giesecke was still following this up and I was sure he would let him know if he found anything.

Q What was Mr. Wyatt's response to that?

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A We ~~are~~ were talking about another subject matter, actually.

Q Did Mr. Harrison bill you for any expenses, or retainer in connection with hiring a private investigator?

A No. Well, he billed us for this man I hired in North Dakota eventually.

Q Is the Delong Corporation, was the Delong Corporation a corporation that was associated with you during this time period?

A They were the plaintiffs in this court of claims case.

MS. REILLY: At this point, I am going to hand Exhibit 3 to the court reporter.

THE WITNESS: Of which Mr. Harrison was the cocounsel.

(Rand Exhibit 3 identified.)

BY MS. REILLY:

Q I will ask you to take a moment and look through.

A Okay.

Q Have you had a chance to examine the document?

A Yes, I have.

Q This purports to be a four-page exhibit. It

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includes two bills from Scott, Harrison & McLeod to the Delong Corporation, and a Bill from Butcher & Associates to Scott, Harrison & McLeod, and a check from Trammell, Rand, Nathan & Lincoln. If we could turn to the first page, the bill is dated April 7, 1986. You have testified that the Delong Corporation was the Plaintiff in a case that you were working on with Mr. Harrison; is that correct?

A Well, I was disqualified as trial counsel. This is an old, old case, years ago, because I had to become a witness. He took my place in the line-up of attorneys, and he was still employed on that and he billed through our firm.

Q To the best of your knowledge, do any of these services and disbursements relate to the investigation that Mr. Harrison was carrying out at that period relating to Congressman Dorgan and Ms. Olsen?

A Well, Mr. Harrison called me at one point and said he had paid out $500 to somebody in North Dakota, and he wanted to be paid back. I guess there was nothing we could do about it, so I told him to bill us as he usually did, when he sent a bill every month. His firm sent a bill every month.

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Now, why he would put it as miscellaneous on this Delong bill, maybe he misunderstood me. I said bill us as usual. I never saw these bills until recently. I never saw the check until recently, and I never knew what had been paid. I merely know that he was paid what he laid out. Mr. Lincoln in our office handled the billings then and he just paid the bills. If Mr. Harrison's initials were on them, he would just pay them. He wouldn't ask any questions.

Q It was not out of the ordinary for Mr. Harrison to bill an amount monthly and he would just be paid?

A That's right. Why he didn't break up this bill and identify it better or send two bills, I don't know. Maybe his secretary or somebody didn't or they had a billing clerk. I don't know why it was done this way. He was billing us every month and had for six years or something like that.

Q When Mr. Harrison informed you that he had spent $500 on this situation in North Dakota, did you understand that would be the only expenditure that would be made?

A That's the only one I ever discussed with him was the 500. I was so upset about that, I guess, I don't

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remember going into it any further. I just said bill it like you bill everything else, and we will pay it.

Q Did you ask him what he had done to spend $500?

A Oh, yes, he had hired an investigator. This was after Mr. Giesecke had gotten some kind of report. But I discovered this.

Q Did you know that the investigation was going to continue and cost more money at that point?

A No, I don't think it did. This other bill, the balance, it was the balance of this man's bill. He sent in some kind of report, and that was the bill. I do see another --

Q If you could turn to the second page.

A I don't remember seeing this before.

Q If you could turn to the second page here, page 2 of Exhibit 3 is dated June 11, it's also to the Delong Corporation from Mr. Harrison's law firm; and under an item of miscellany includes a bill or an item totalling $1782.76. Do you know if that was related to Congressman Dorgan and Ms. Olsen as a fee for the Butcher report?

A None of it was related directly to any Congressman or his wife, whatever name she used. It was related to this

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investigator that Harrison hired. I didn't know it at the time; I know it now.

Q Right. So, would this bill have been paid out in the ordinary course, similar to the way the other one was?

A Date of April 7, June 11. I am sure there must be one in between. He billed us every month.

Q At one point did Mr. Harrison transmit to you what we have come to know as the Butcher report?

A He sent me a -- this is before I talked to him. I got some -- some messenger came over with an envelope, and there was a little note on it. This was a report from an investigator in North Dakota, and that's when I called him and asked him what it was. Too late for me to do anything about it. I gave it to Mr. Giesecke.

Q Did you read it at that time?

A Never have read it to this date. I asked him what it said, after he read it. I was really very busy. I wasn't interested, very busy, I didn't bother to read it.

Q What did Mr. Giesecke tell you was in the report?

A He said it was a typical unevaluated FBI type report of scandal, gossip and rumor.

Q Did Mr. Giesecke indicate to you that the Butcher

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report was illuminative in report of Congressman Dorgan's timber holdings?

A He said it was worthless.

Q Did you discuss the Butcher report with Mr. Harrison at all?

A Yes. I told him it was worthless.

Q What was Mr. Harrison's reaction?

A I don't recall. I think he didn't say anything to me after all.

Q Was there ever a -- did you ever consider passing on the costs of the Butcher report to Mr. Wyatt?

A No. As a matter of fact, I instructed the office to pass it on to me personally, and I would absorb it.

Q Did you?

A Yes, ma'am.

Q Did you ever discuss the Butcher report with Mr. Wyatt?

A No.

Q Did Mr. Giesecke indicate to you that he had discussed it with Mr. Wyatt?

A I have no idea.

Q Did Mr. Harrison ever explain to you why he used a

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private investigator instead of someone else?

A No. Don't misunderstand, I have seen him often, I have talked to him often, but this subject has been never brought up.

Q At one point Mr. Giesecke's response states that he put together a package of materials. In fact, we will introduce it as Exhibit 4 at this point.

(Rand Exhibit 4 identified.)

MS. REILLY: I will hand one to the court reporter, one to the witness. I just want you to take a minute and familiarize yourself with this.

THE WITNESS: I remember --

BY MS. REILLY:

Q I am sorry, go ahead.

A Go ahead, ask your question.

Q Did you have a chance to review this document?

A Well, I glanced at it.

Q This purports to be the timber package which was attached to the complaint in this matter. It consists of a two-page cover memo and includes five exhibits, including newspaper articles, the APCO file, news clippings, marriage certificate and instructions for obtaining documents.

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MR. SCHRAUB: You are saying this package is what was attached to Dorgan's complaint?

MS. REILLY: Oh, yes, it must have been -- oh, you provided something.

MR. SCHRAUB: We provided something to you in our documents that we called the timber lobby package. If that is what this Exhibit 4 is, then so be it. If it isn't, then we don't vouch for it.

MS. REILLY: Okay, it's the timber package.

MR. SCHRAUB: If it's what we produced, then it's the timber package.

MS. REILLY: If we can go off the record a second.

(Discussion off the record.)

MS. REILLY: Back on the record. This came from materials produced by Mr. Schraub.

MR. SCHRAUB: Produced by the deponent, and if that is the case, it is the timber lobby package.

MS. REILLY: Fine.

BY MS. REILLY:

Q Do you recall Mr. Giesecke telling you that he had prepared a package?

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A Yes.

Q When was that?

A I am sorry, it was in 1986, probably about May.

Q Did you discuss with Mr. Giesecke whether the package should be sent out?

A Mr. Giesecke brought me in several envelopes, which he said he consolidated all of the public records he had gotten and had written a little covering memorandum and asked me if I would read it. If my recollection serves me correctly, I said I would not read it. I said, what do you want to do with it? He said, I want to send it out to Mr. Wyatt. I said, fine, no problem, and that was it, at that time. I am told that at a later time he said he was so disgusted with everything, he was going to send it to the newspaper, that this kind of information should be made public. I think I said, if that's what you want to do, do it, don't bother me, as long as it doesn't have any political effect.

You must remember that I had known Senator Andrews socially for long before he ever ran for Congress as a young man. Certainly, I am not unsophisticated, working in Washington all these years. I may be a dumb bunny, but I

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have been around a long time. I certainly would do nothing to prejudice a friend of mine. I didn't want to be involved, I never had been involved in politics, I never even contributed to Mr. Andrews, whom I have known all of these years. The one thing I would have done is told him, look, don't make any political football about something. If you have some public documents, and you feel strongly enough about it, go ahead and send them out.

I told him at that time, to me, this doesn't look like any big deal, because Congressmen do this all the time. As a matter of fact, you may have read the Wall Street Journal the other day in which they listed -- did you read that -- about 50 Congressmen doing the same thing. Nobody pays any attention to that sort of thing here inside the Beltway.

That is what happened to this. Who he sent it to, I don't know. When he sent it, I don't know. I just remember him asking me to read it. I clearly remember saying I will not.

Q Did Mr. Giesecke tell you specifically why he wanted to send it out?

A He feels that -- he has a personal stake, for one

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thing. He feels that he was losing money because of people like this woman, and also, he is that type of man. If he saw an injustice to the dog down the street, he would spend the next three years chasing the malefactors who did it. He is that kind of man, ultra sense of justice, right or wrong. You have met him. You can surely judge for yourself.

Q Yes. Did Mr. Giesecke tell you that he was going to send this package to any newspapers in North Dakota?

A I don't recall North Dakota. He said, I want to give it to the papers. I thought he meant the Washington Post, frankly.

Q In your opinion, have you had a chance to read the package after it was sent out?

A No, I never read it.

Q Was it your understanding -- actually, I just want to go back and touch on one more thing. Did you have any communications with Mr. Harrison after the report was furnished regarding improprieties dealing with an airplane?

A Once, at some time I said to Mr. Harrison, as I can say, very strongly and very vigorously, I said, I don't like people giving unevaluated information, and something to that effect. You must understand, I don't even know who

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Butcher is, I never met him. I know nothing about him.

MS. REILLY: At this point, we are going to take a five-minute break. We will be back in about five minutes.

THE WITNESS: Sure, as long as you like.

(Recess.)

BY MS. REILLY:

Q If we can go back on the record, please. Mr. Rand, you have testified today that you have never made any political contributions and that you haven't been --

A I didn't say I never. I said I don't remember making any to Mr. Andrews.

Q Okay, fair enough. And that you have not been politically active with Mr. Andrews. And you have expressed the sentiment that you instructed Mr. Giesecke that the timber package not have any political implications.

Did you ever intend any of the activity relating to Congressman Dorgan and Ms. Olsen to influence a federal election?

A No.

Q Have you given full and complete answers to everything that we have discussed today?

A Yes, except to add one thing that I would like to

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put on the record. I will only have to live with this. The only one who has suffered from this is not Mr. Dorgan or someone else. There are some people who blame my negligence for some of their problems, as you can guess. So I don't even want to remember this anymore. I have lost friends and acquaintances because of this. Never again. You get to the edge of the fire, sometimes you get burned even though you don't know the fire is there.

MS. REILLY: Would you care to cross-examine your client?

MR. SCHRAUB: No.

MS. REILLY: At this point we will conclude the deposition.

MR. SCHRAUB: We will read and sign.

(Whereupon, at 11:10 a.m., the deposition was concluded.)

City of Falls Church
State of Virginia

Subscribed and sworn to before me
this 9th day of June, 1994.

Notary Public

My Commission Expires 11/30/97

BERT B. RAND

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, WENDY S. COX, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Wendy S. Cox

Notary Public in and for the
District of Columbia

My Commission Expires NOVEMBER 14, 1992

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STEVE FORRESTER'S

NORTHWEST LETTER

FROM WASHINGTON, D.C.

Vol. 5, No. 12 Copyright 1985, Steve Forrester June 24, 1985

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BONNEVILLE LOCK REMAINS ALIVE IN SENATE SUPPLEMENTAL APPROPRIATIONS BILL

Following a meeting between Sen. Mark Hatfield and Office of Management and Budget Director David Stockman, the Reagan Administration has lifted its opposition to authorization and partial funding of the new navigation lock at Bonneville Dam in the Supplemental Appropriations Bill. Hatfield's language in the bill would fund Bonneville and 24 other water projects only after the Corps of Engineers has negotiated a cost-sharing arrangement with local parties. In the case of the Bonneville Lock, it is unclear who those parties would be, but Hatfield and others speculate that they might include the states of Oregon and Washington or various port districts.

Prior to final passage by the Senate, Hatfield added an interesting twist to the cost-sharing language by adding a sunset provision. In other words, the Corps of Engineers must negotiate its cost-sharing agreements by June 30, 1986. That amendment is clearly aimed at the Corps' ability to stall a project.

Hatfield clearly has the administration where he wants it. The supplemental, as passed by the House, already includes several military items such as aid to Jordan and the Contras in Nicaragua, which Reagan wants.

It will remain for Hatfield to keep the lock's funding in the bill during the House-Senate conference. Last year, House Democrats caved in on the issue leaving Hatfield angry. "I'm only hopeful that Democrats in the House will show courage this time," said Hatfield last week.

Another big Northwest item in the Supplemental is construction of a low-level sediment cachement dam in the Mount St. Helens area, to which the House has already agreed. The Senate bill includes another House-passed item: language which requires congressional approval before any funds may be spent to implement a land swap between the Forest Service and the Bureau of Land Management.

TIMBER ISSUE FLAMES: CONGRESS PUSHES WHITE HOUSE AS CANADIANS COUNTERPUNCH

At the behest of Rep. Larry Craig of Idaho, a timber summit is held this Tuesday in the Capitol involving congressmen and senators and three key members of the Reagan administration. During the 45-minute session, members will pressure the administration to get tough with the Canadians, threatening to pass one of three major bills now in the hopper.

Northwest members will probably dominate the gathering numerically, but others will attend from the Southeast, New England and the Southwest. Administration officials on hand will include Commerce Secretary Malcolm Baldridge, congressional liaison Max Friedersdorf and the new U.S. Trade Representative, if he has been confirmed.

Meanwhile, the Canadians have abandoned their reluctance to speak publicly about the issue. On June 11, five spokesmen led by Richard Herring, assistant

Exhibit #1

deputy minister of the Canadian Forestry Service, met the Canadian and U.S. press at the Canadian embassy. The mere fact that the embassy convened this session indicates that Canada believes the situation in Congress has become markedly more serious.

The group tried to dispel what Herring called four myths perpetrated by the U.S. lumber industry and oy various congressmen. The myths, as identified by the Canadians, were that:

— Canadian timber stumpage is subsidized by the government;
— Canada's share of the U.S. lumber market has increased dramatically;
— Canada's lumber industry is expanding while America's is shrinking; and
— Canada is not using responsible forest practices, most notably in reforestation of its cut-over timber lands.

If a representative of the U.S. lumber industry had been present, there would have been a lively debate on at least three of the four points. That is not to detract from the Canadians' presentation, which was effective. Their most convincing argument regarding the subsidy question was their reference to the 1983 ruling by the U.S. Department of Commerce. As a result of its investigation, the International Trade Administration found that any subsidy to Canadian lumber was less than one percent of the cost of lumber sold.

The Canadians are worried about three bills. Legislation sponsored by Rep. Don Bonker would establish a one-year period for negotiations between the two governments. If no agreement were reached at the end of that period, a temporary 10 percent tariff would be placed on Canadian wood products and the definition of subsidy would be changed to include below-market stumpage pricing. The bill sponsored by Rep. Sam Gibbons, R-Fla., would amend the Tariff Act concerning countervailing duties applied to natural resource imports. That of Congressmen Jim Weaver and Larry Craig would restore the level of Canadian lumber imports to a historic, lower level than it is now.

The Gibbons bill most alarms the Canadians, because it would redefine subsidies in international trade of natural resources products. Passage of the Gibbons bill would make it easier for the U.S. lumber industry to bring its case before the U.S. International Trade Commission or the Department of Commerce.

An aide to Rep. Bonker says that, "There is no doubt that the Gibbons Bill will be reported out of the House Ways and Means Committee."

The Canadian Embassy has taken the extraordinary step of communicating its displeasure with the Gibbons bill in a June 7 note to the U.S. State Department. "It is the Canadian government's view that the proposals contained in this bill represent a fundamental and potentially dangerous departure from longstanding U.S. and international practice regarding the definition of what constitutes a subsidy," states the diplomatic note.

The Canadian note also raises the spectre of retaliation. "In an immediate sense, U.S. exports of textiles and petrochemicals would be put at risk through the regulation of natural gas prices, agricultural products through the pricing of water and grazing rights, and manufactured goods of all description through regulated rates."

As this note indicates, nothing less than U.S.-Canadian trade is at stake in how this matter is handled. The Canadian message is quite simple: We currently have a major trading relationship, but action against our lumber exports to your country could spark a trade war.

PIECES OF THE PUZZLE

DAVID WHITNEY OF THE OREGONIAN LEARNS THAT REP. JIM WEAVER has borrowed more than $81,900 from his own campaign funds. While Weaver's loan seems not to be illegal under federal law, it may conflict with House rules, and the specialists whom Whitney interviewed knew of now such precedent. Weaver said the loans were made to him so he could invest the money for the campaign.

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WHEN A LONG-AWAITED JOINT HEARING INVOLVING REP. JIM WEAVER'S subcommittee was convened recently, Weaver was nowhere to be found. Fisher Broadcasting's Tim Hillard discovered that Weaver's Eugene staff didn't know where the congressman was and his D.C. staff also did not know his whereabouts.

TWO NORTHWEST POLITICAL OPERATORS HAVE TEAMED UP under the existing firm of Northwest Strategies, Inc. Len Bergstein, founder of the firm and resident of Portland, has entered an agreement with Ron Dotzauer, the former auditor of Clark County, Wash. Dotzauer will open a Northwest Strategies office in Seattle. The firm specializes in government relations, strategic planning and marketing. Dotzauer ran the late Sen. Henry Jackson's offices in Spokane and Seattle and he was campaign manager for Jackson's final campaign. Bergstein was an aide to former Oregon Gov. Bob Straub and to Neil Goldschmidt while he was U.S. transportation secretary.

REP. DON BONKER'S PRESS SECRETARY, HEIDI HUGHES, HAS LEFT to work for the Montgomery County Cable System in community relations. Bonker is looking for a replacement.

SEN. SLADE GORTON AND REP. MIKE LOWRY ARE FACING each other across the table in the House-Senate Conference Committee on the Budget. During a recent interview on "Northwest Week in Review," Lowry left little doubt that he is itching to run against Gorton. Asked by Norm Brewer of Gannett how he would go about running against Gorton, Lowry said, "I've been more effective than Slade." Lowry's reference was to the Export-Import Bank's direct loan program which is in the House-passed budget, but not in the Senate's. The loan program is important to the Boeing Co. For Northwest correspondents, Lowry's shot at Gorton also referred to the line which Gorton worked on Lowry during the Lowry-Dan Evans race for the Senate of 1983. Gorton told reporters assembled in his office that Lowry had been the least effective member of the Washington state House delegation.

WASHINGTON STATE HOUSE DEMOCRATS ARE GETTING A CHUCKLE OUT OF a two-page press release which Sen. Slade Gorton issues to herald a ship overhaul at a Seattle yard. One veteran points out that the contract is the kind of thing that would have rated a paragraph announcement from the king of pork, former Sen. Warren Magnuson. The other irony, of course, is that Gorton ran against Magnuson as a kind of anti-pork, cut-the-budget candidate who wasn't gave every indication that he wasn't interested in the appeal that federal largesse holds for the voters.

THE NATIONAL GOVERNORS ASSOCIATION AUGUST MEETING IN BOISE will be a showcase for Idaho Gov. John Evans, who is getting ready to run against Sen. Steve Symms.

THE INTERIOR APPROPRIATIONS BILL PASSED BY THE SUBCOMMITTEE last week includes $3.4 million for purchase of timber rights of a Red Cedar grove to increase the size of the Willapa National Wildlife Refuge on Willapa Bay in Southeast Washington state.

REP. AL SWIFT HAS HIRED AN ACTING PRESS SECRETARY as Sara Lee departs. John O'Leary comes to Swift from prior service with former Washington state Congressman Lloyd Meeds and Mike Barnes, a Maryland congressman.

IDAHO'S REPUBLICAN SENATORS AND CONGRESSMAN HAVE not been informing Democratic Rep. Richard Stallings of some recent agency briefings.

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THERE ARE 1,172 NUCLEAR WARHEADS IN WASHINGTON STATE, according to a recent study by the Institute for Policy Studies. That ranks Washington fifth among states housing warheads.

CONGRESSMAN LES AuCOIN IS ANGRY AT AN ASSERTION in The Oregonian that he led Rep. Bob Smith to vote against the Bonneville Lock on an amendment to the Supplemental Appropriations Bill. Both Bob and Denny Smith voted against the lock and Rep. Jim Weaver did not vote on the amendment. Weaver says he had left town believing there would be no more important votes.

Titled "AuCoin shares blame," the editorial in The Oregonian asserts that AuCoin did not fill Bob Smith in completely on what the amendment meant. "This is just bizarre," says AuCoin. "After giving an arm and a leg to get the lock included, they suggest that I would throw it all down the drain in an attempt to embarrass a member with whom I had no beef."

For his part, Bob Smith writes in his weekly newspaper column that the lock should go through the normal committee authorization process and not be authorized on an appropriations bill.

THE CAPITOL HILL RESIDENCE OF FRESHMAN CONGRESSMAN JOHN MILLER is featured in the Washington Home section The Washington Post. The section runs full color photos of the redone backyard of the Miller's Capitol Hill home.

THE SPECIAL SUBCOMMITTEE ON TRADE WITH CHINA, chaired by Rep. Al Swift, has been given a two-year extension on its life by Energy and Commerce Committee Chairman John Dingell, D-Mich. Since Swift has no chairmanship of a permanent subcommittee, this is an important development for him.

THE SIERRA CLUB JUMPS INTO THE BLM-FOREST SERVICE land swap issue, arguing that the proposal is an attack on public land wilderness. The Sierra Club says that buried in the land swap proposal is a provision called "administrative release," which could be used to release BLM wilderness study areas for development once they had been transferred to the Forest Service.

KING TELEVISION WILL HAVE A FULL COMPLEMENT OF REPORTERS within about one month. George Snyder, a reporter at KING-TV in Seattle has been chosen to join Bureau Chief Andy Beers and correspondent Tom Ackerman. Snyder recently won two of Seattle's Emmies for his documentary titled "Timber, Fall of the Giant." Snyder will arrive here July 27.

FOURTH EDITION OF GERRY FRANK'S GUIDE TO NEW YORK CITY will be out in September. Frank is administrative assistant to Sen. Mark Hatfield.

LISTENERS IN THE PORTLAND METROPOLITAN AREA MAY HEAR "Northwest Week in Review" in its entirety at 7:30 pm Mondays beginning July 1 on KOAP-FM (91.5 FM). The station also might continue to broadcast an abbreviated (15-minute) version of the show on Wednesdays at 12:10 pm.

CORRECTION: The last issue reported that Kim Olsen is now associated with the law firm Covington & Burling. She is associated with APCO, a subsidiary of the Washington, D.C., law firm, Arnold & Porter, where she will lobby for Canadian timber clients on the lumber imports issue.

Steve Forrester's Northwest Letter is mailed under first-class postage from Washington, D.C. It is published bi-weekly except during long congressional recesses. Subscription price is $98 per year. To subscribe, contact Steve Forrester at 210 Seventh Street, S.E., Box F8; Washington, D.C. 20003, or call 202-543-1878.

8904070229 8

LAW OFFICES
TRAMMELL, RAND, NATHAN & LINCOLN
1666 POTOMAC AVE., N.W., SUITE 302
WASHINGTON, D.C. 20007

№ 1996

15-72
540

DECEMBER 30, 85

BRITZ GIESECKE 79.93

SEVENTY-NINE AND 93/100 ----------

NS&T BANK, NA
WASHINGTON, D.C. 20006

Brad O'Leary
Shirley J. Pace

⑈001996⑈ ⑆054000522⑆ 05-2012755⑈

LAW OFFICES
TRAMMELL, RAND, NATHAN & LINCOLN

DATE	ACCOUNT	DESCRIPTION	AMOUNT
12/30/85		Reimbursement (Charge W. Timbur/McFadden)	$79.93

⑆054000522⑆ 2299 2012755⑈

Exhibit #2

LAW OFFICES
TRAMMELL, RAND, NATHAN & LINCOLN
1600 POTOMAC [illegible] N.W., SUITE 502
WASHINGTON, D.C. 20007

№ 1964

~~12-52~~
640

DECEMBER 19, 85

FRITZ H. GIESECKE 193.61

ONE HUNDRED NINETY-THREE AND 61/100 ----------

NS&T BANK N.A.
WASHINGTON, D.C. 20005

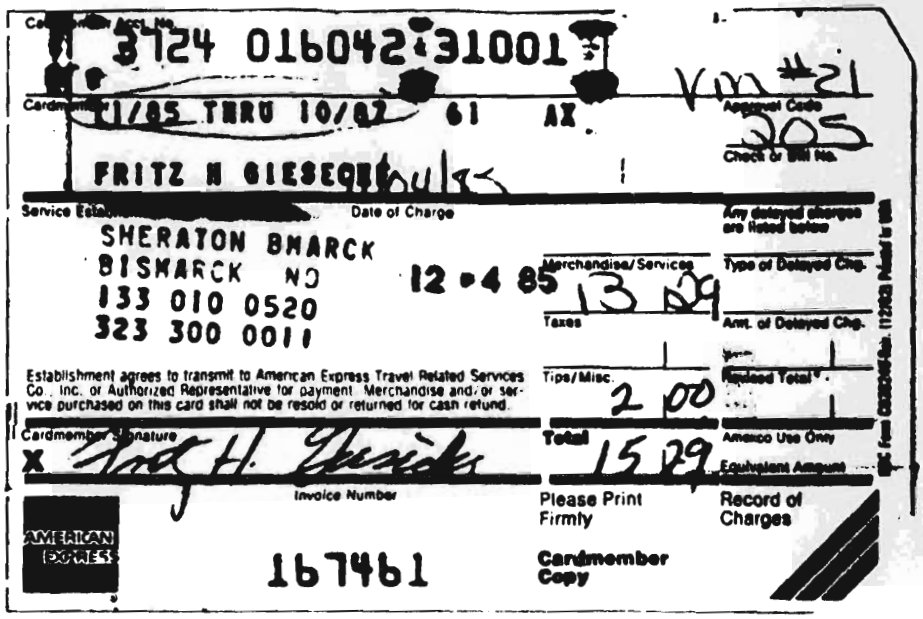
Shirley J Rose

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LAW OFFICES
TRAMMELL, RAND, NATHAN & LINCOLN

DATE	ACCOUNT	DESCRIPTION	AMOUNT
12/19/85		Reimbursement due on trip of 12/1 - 12/7/85 (Charge Western Timber/McFadden)	$193.61

82240723000



3724 016042 31001

11/85 THRU 10/87 61 AX

Approval Code 205

FRITZ H GIESECKE

Check or Bill No. VM #21

Service Establishment — Date of Charge

SHERATON BMARCK
BISMARCK ND
133 010 0520
323 300 0011

12 • 4 85

Merchandise/Services 13 29

Taxes

Tips/Misc. 2 00

Total 15 29

Any delayed charges are listed below

Type of Delayed Chg.

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Revised Total

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Establishment agrees to transmit to American Express Travel Related Services Co., Inc. or Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund.

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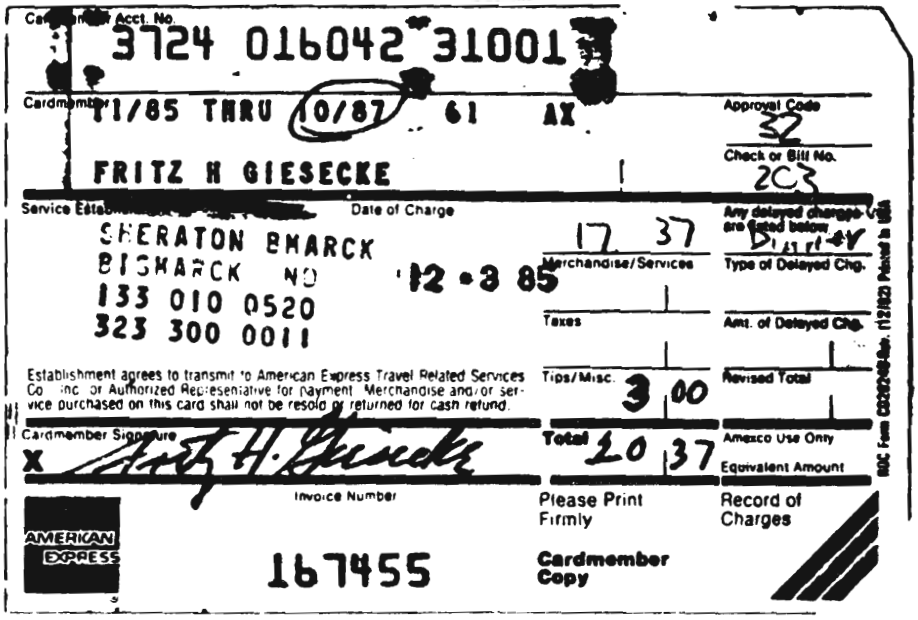
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AMERICAN EXPRESS



3724 016042 31001

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FRITZ H GIESECKE

Check or Bill No. 203

Service Establishment — Date of Charge

SHERATON BMARCK
BISMARCK ND
133 010 0520
323 300 0011

12 • 3 85

Merchandise/Services 17 37

Taxes

Tips/Misc. 3 00

Total 20 37

Any delayed charges are listed below DINNER

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Amt. of Delayed Chg.

Revised Total

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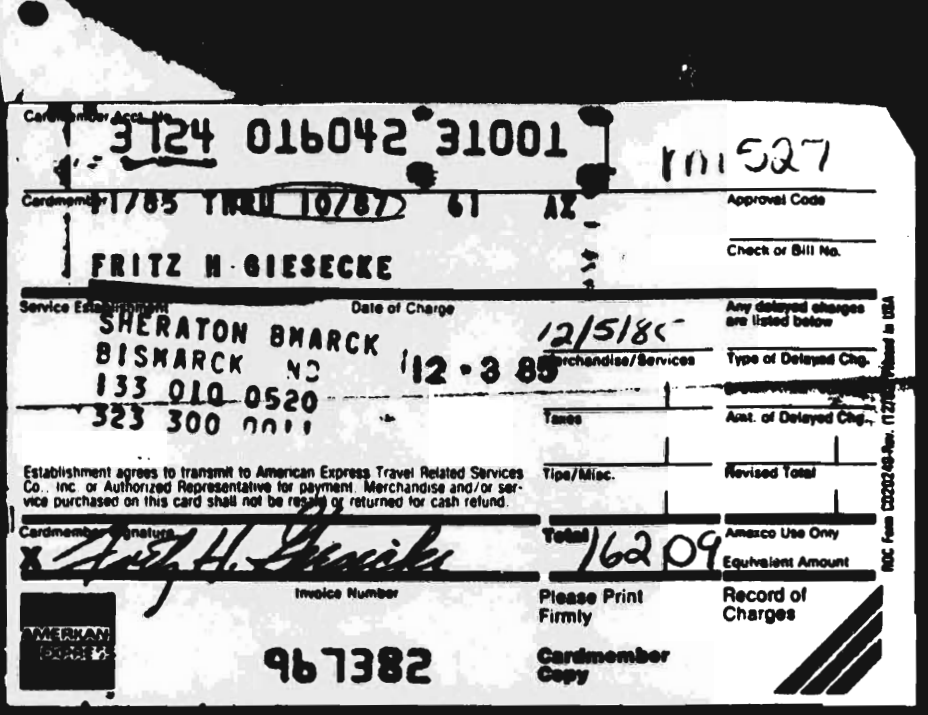
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Record of Charges

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AMERICAN EXPRESS

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Approval Code

Check or Bill No.

Service Establishment

SHERATON BMARCK
BISMARCK ND
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323 300 0011

Date of Charge

12/5/86

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Merchandise/Services

Taxes

Tips/Misc.

Total 162 09

Any delayed charges are listed below

Type of Delayed Chg.

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DATE	DESCRIPTION	REFERENCE	CHARGE	CREDIT	BALANCE
12/23	LONG DISTANCE	13146783326	2.28		
12/23	LONG DISTANCE	#5032229981	2.34		
12/23	LONG DISTANCE	17223788432	4.31		
12/23	LONG DISTANCE	17216784721	3.38		
12/23	LONG DISTANCE	19129355737	3.60		
12/23	LOCAL CALLS	1 Local calls	0.40		
12/23	ROOM	RM 527	64.00		
12/23	TAX	RM 527	3.84		
12/24	LOCAL CALLS	2 Local calls	0.80		
12/24	ROOM	RM 527	64.00		
12/24	TAX	RM 527	3.84		
12/25	LONG DISTANCE	19129355737	4.49		
12/25	LONG DISTANCE	15032229981	3.81		
12/25	AMERICAN EXPRESS			162.05	

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TELECOPIER (202) 466-6538
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TELEX 350-340

April 7, 1986

Delong Corporation
1000 Potomac Street, N.W.
Suite 302
Washington, D.C. 20007

1256

FOR LEGAL SERVICES RENDERED
from March 1, 1986 through March 31, 1986

SERVICES		$ 687.50
DISBURSEMENTS		
Telephone	7.08	
Miscellany	500.00	
Postage	0.44	
TOTAL DISBURSEMENTS		507.52
TOTAL DUE		$ 1,195.02

8904070230 4

Exhibit #3

LAW OFFICES

SCOTT, HARRISON & McLEOD

2501 M STREET, N. W.

WASHINGTON, D. C. 20037

(202) 861-1234

CABLE SCOTTLAW

TELEX 350-340

June 11, 1986

DeLong Corporation
1000 Potomac Street, N.W.
Suite 302
Washington, D.C. 20007

2758

FOR LEGAL SERVICES RENDERED
from May 1, 1986 through May 31, 1986

SERVICES		$ 735.50
DISBURSEMENTS		
Telephone	5.12	
Messenger	6.50	
Photocopy	27.00	
Miscellany	1,782.76	
Taxis	55.50	
Postage	1.68	
TOTAL DISBURSEMENTS		1,878.56
TOTAL		$ 2,614.06

9904070230 5

TRAMMELL, RAND, NATHAN & LINCOLN
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WASHINGTON, D.C. 20007

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June 17 19 86

15-52
540

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Legal services, disbursements re:
FOR Renegotiation case, May 1-May 31,1986

⑈003026⑈ ⑆054000522⑆ 04⑈688688⑈

8904023006

W.T. BUTCHER & ASSOCIATES, LTD.
1424 W. Century Ave., Suite 106
Bismarck, ND 58501
(701) 224-1541

Employer ID No. 45-0380468

Invoice Date: July 30, 1986
File No.: P86-339
Ordered By: Marion Harrison
Date Received: March 5, 1986
Date Completed: July 30, 1986

To: Scott, Harrison & McLeod
2501 M Street, NW
Washington, DC 20037

Re: Confidential Investigation

Date	Description		Amount
	PROFESSIONAL SERVICES		
5/22-6/28/86	Various telephone contacts		
7/4,22/86	Personal interviews in Minot, ND		
7/7-30/86	Various telephone & personal contacts		$ 745.00
	EXPENSES		
	Telephone calls	$ 33.00	
	Mileage	161.00	
	Copies	2.50	196.50

Please indicate invoice number on remittance check.

THANK YOU for allowing us to be of service to you.

TOTAL	$941.50
LESS CREDITS	
BALANCE DUE	$941.50

8904070307

One Democratic Congressman goes Deaver one better. He has his wife involved in lobbying before he leaves office.

North Dakota Congressman Byron L. Dorgan's wife has been a part of an organized effort to lobby Congressmen, Senators and their staffs in Washington on behalf of the Canadian timber industry to defeat U.S. legislative proposals designed to protect the American lumber industry against Canadian lumber imports.

Dorgan's wife, 27, who used her maiden name of Kimberly Sue Olson in official registrations, is registered with the Department of Justice as a foreign agent under the Foreign Agents Registration Act and has been married to Congressman Dorgan since April 13, 1985. Ms. Olson used her maiden name in registering with the Justice Department as a "legislative associate" employed by the Washington lobbying firm of APCO ASSOCIATES, the lobbying subsidiary of the Arnold and Porter law firm, according to foreign agent registration statements on file with the Justice Department.

In her initial registration with the Justice Department in June, 1985, Ms. Olson stated that she would be performing all necessary functions as a legislative associate "for the Canadian Forest Industries Council project only". Her registration statement discloses The Korean Traders Association as another foreign principal of APCO ASSOCIATES. In a subsequent required filing with the Justice Department on December 20, 1985, Ms. Olson's registration discloses additional Canadian and other foreign principals which APCO ASSOCIATES represent, including the Canadian Meat Council, the Saskatchewan Mining Development Corporation and the Chilean National Copper Corporation.

APCO ASSOCIATES and Ms. Olson's filings with the Justice Department indicate extensive lobbying of Congressmen, Senators and members of their staffs throughout the Fall of 1985 to prevent passage of pending legislation restricting Canadian lumber imports.

For the past several years the American lumber industry has claimed serious injury by Canadian firms' selling of Canadian lumber in U.S. markets at prices with which American sawmills are unable to compete. Several pending Congressional bills to restrict Canadian lumber imports have received increasing support in Congress. The Administration has, however, resisted

Exhibit #4

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protectionist measures against Canadian lumber imports and has attempted to solve the problem by agreements with Canada within the context of a broader agreement with Canada on trade matters. The Canadian share of the U.S. softwood lumber market has grown to more than 30% in 1985. U.S. lumber interests claim Canada is able to undersell American producers in the U.S. market because Canadian provincial governments provide trees to Canadian mills at little or no cost through subsidy and related programs.

Statements filed with the Justice Department by APCO ASSOCIATES and Olson indicate that between July and December, 1985, more than 134 discussions were held with Senators, Congressmen, their aides, and Administration officials by APCO ASSOCIATES and Olson lobbying for the Canadian Forest Industries Council.

At the time of his marriage to Olson in April, 1985, Dorgan, 44 this May, refused to discuss the marriage, his third, following two divorces, with North Dakota newspaper representatives. He was quoted in the Grand Forks "FORUM" of June 2, 1985, as saying, "Things get out and people read them in the newspapers. That's unavoidable. But I don't think my personal life has anything to do with my job as a Representative". Dorgan's secrecy regarding his marriage to Olson was also the subject at that time of editorial comment in the North Dakota press.

Kimberly Sue Olson was born on August 8, 1958 in Arlington, Washington State. She attended Washington State University and was graduated in 1980 with a degree in History. She was employed by the NIKE Shoe Company in Portland, Oregon, before joining APCO ASSOCIATES in Washington, D.C.

Dorgan, a Democrat, is serving his third term as North Dakota's sole representative in Congress, having been first elected in 1980. He has announced that he will run for re-election in 1986. He was North Dakota Tax Commissioner from 1969-1980. His successor, Kent Conrad, often described as his protege, is running for the U.S. Senate this year.

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Attached are the following Exhibits:

"A" -- New York Times, August 12, 1985, news clipping describing the Canadian-U.S. wood export problem in the light of the then-imminent session of Congress.

"B" -- Copy of Extracts from APCO ASSOCIATES file at Department of Justice, Foreign Agent Registration Unit, showing APCO ASSOCIATES' Congressional lobbying activity on behalf of Canadian timber during Fall, 1985.

"C" -- Copies of newspaper clippings showing political sensitivity of Congressman's secrecy about his wife.

"D" -- Copy of Marriage Certificate for present marriage of Congressman.

"E" -- Instructions on retrieving file on APCO ASSOCIATES from Deparment of Justice, Foreign Agent Registration Unit.

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soured British investors
re industry, sending the
l Times index of electronics
anging from a high of
n Jan. 9 to 1,260.70 early last
Prices have recovered to
st investors remain wary.
resents a pretty fundamen-
e of perspective on the part
ors," said Laurence Hey-
who follows the industry for
Fleming & Company, the
t bank that runs an over-the-
market in electronics shares.
re realizing that the kind of
ility they had been seeing
have been the best indicator
erm health."
ychological impact of the in-
problems has shown up in
rice declines for companies
xpansion has lived up to ex-
ns, such as Ferranti P.L.C.,
ectors that remain relatively
such as software. At the
me, new companies seeking
by share offerings on Brit-
nlisted Securities Market are
to adjust their expectations
ard.

sted at Thorn

most spectacular loss of confi-
struck Thorn EMI, whose
f directors last month ousted
irman and chief executive,
Laister, just 15 months after he
n given the job. Mr. Laister's
received proposal in May 1984
ge Thorn, which is heavily in-
in consumer electronics and
inment, with British Aero-
P.L.C., Europe's leading inde-
t manufacturer of aircraft,
es and missiles, was partly
d for his problems.
e in the eyes of investors,
, was Thorn's subsequent ac-
on from the Government of
P.L.C., a start-up semiconduc-

its companies have facilities, retains its buoyant long-term outlook, though. Recently, the Digital Equipment Corporation said that it would build a $110 million microchip manufacturing plant just west of Edinburgh to supply semiconductors to its British operations and other Digital factories around the world.

tempts to develop overseas m ts and new products.

The costs and risks in such moves have contributed to the City's unease. One reason for the heightened sensitivity is the feeling in the City that the industry has no option but to take even bigger strategic gambles.



Associated Press

A logging truck in British Columbia. When Congress returns to Washington after its summer recess, it will consider several pieces of legislation to limit shipments of lumber from Canada to the United States.

U.S.-Canada Rift Over Lumber Exports

Continued From First Business Page

tion of natural resources at "less than fair market value."

The White House is fighting against lumber protectionism, largely because of its commitment to free trade. But both Congressmen and nervous Canadian Government officials say they count enough votes to override a Presidential veto.

In light of that, American Government officials are working strenuously to reach a compromise. United States officials suggest it might involve easing Canadian restrictions on the export of raw logs, opening the tight Canadian market to American plywood, and a plan to work jointly to expand third-country markets. The hope is that these measures would forestall more drastic action.

Meanwhile, the United States International Trade Commission is conducting a fact-finding investigation of the issues.

In essence, the dispute between Canada and the United States, which has many facets, comes down to "stumpage" — the term for the fee that industry pays the government for standing timber.

One key difference is that in Canada nearly 95 percent of the timberland is owned by provincial governments, while in the United States 70 percent is in private hands.

For publicly owned timber in the national forests of the United States, companies must bid competitively for stumpage. Prices paid at the time of auction can turn out to be unprofitably high if prices for the finished lumber later drop.

In British Columbia, which produces 65 percent of Canada's softwood lumber, and in other provinces, the provincial government sets stumpage fees administratively. First, the provincial government estimates lumber prices and figures roughly how much lumber it wants to produce. From the estimated price, it subtracts capital and operating cost, plus a guaranteed 12 percent profit. What is left becomes the stumpage fee.

Americans charge that, in some cases, Canadian stumpage fees could be as low as zero if the other costs were high enough. By contrast, American companies must regard stumpage as their first fixed cost.

Special Circumstances Cited

The effect of the two systems is that Canadian companies often pay lower stumpage fees than their American counterparts. But since timber operations here are often located deep in the mountains, requiring long river transportation, the Canadians say the cost of delivered logs is virtually equal.

The industry in the United States does not accept that argument. "They are either very inefficient logging operations, or they're fudging the numbers," said William Lange, manager of resource planning for the Washington-based National Forest Products Administration.

"I find that allegation absolutely offensive," T. M. Apsey, president of the Council of Forest Industries of British Columbia, responded. The costs of operation on the mountainous coast are clearly higher, he says, and the American industry acknowledges that point. But in the interior of British Columbia, where new mills churn up so many trees that they are called "spaghetti factories," the Americans say costs are much less.

The evidence of the disparity in costs, American lumber executives contend, is that last year's rebound in housing starts did not result in a sharp upturn for the depressed American lumber industry. In recent years, the industry has written off some $500 million in assets, and about 250 American sawmills have closed.

The Housing Statistics

But the Canadians point out that even though overall housing starts last year in the United States nearly equalled the 1980 high of 2 million, construction of single-family dwellings declined by 220,000 units. Single-family houses, the Canadians say, use about three times the lumber of a unit in a multiple dwelling. They also say that high demand for pulp and paper in recent years has spurred production of wood chips, an important by-product of sawmills. This has meant more lumber has been produced than justified by the market.

Spokesmen for the American industry also point to sawmill utilization as a key variable. Mills in the United States have been operating at 70 to 80 percent of capacity, while Canada's have been running at more than 90 percent.

Canadians, on the other hand, point out that from 1978 to 1984, employment in their lumber industry fell by more than 18 percent, compared with about 14 percent in the United States.

The Canadian portion of the United States softwood lumber market has steadily grown from 19 percent a decade ago to 28 percent in 1978 and to 31 percent last year, some $2.6 billion worth. Preliminary industry figures suggest a further jump to 35 percent in the first six months of this year.

For Canada, the stakes are huge. Trees generate about $15 billion in revenue a year — more than metals, food and agriculture, fisheries and the automotive industries combined.

While there are many aspects of the lumber business in dispute between the two countries, the focus is on softwood lumber.

Large Softwood Exports

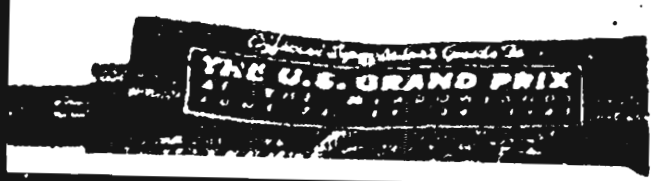
Canada is the largest exporter of softwood lumber, supplying 45 percent of the world trade. Its production grew to 20.6 billion board feet last year, from 10.9 billion in 1975. During the same period, American production grew to 31.3 billion, from 25.7 billion, but the United States exports considerably less than the Canadians.

American lumber executives say they will not be satisfied until Canada cuts its share of the American market to a fifth or less, from the present one-third.

To Mr. Apsey of the Forest Industries Council here, it all seems a trifle bemusing. He remembers being part of a Canadian delegation to Washington in 1972 that was pressed to increase lumber production, as well as exports.

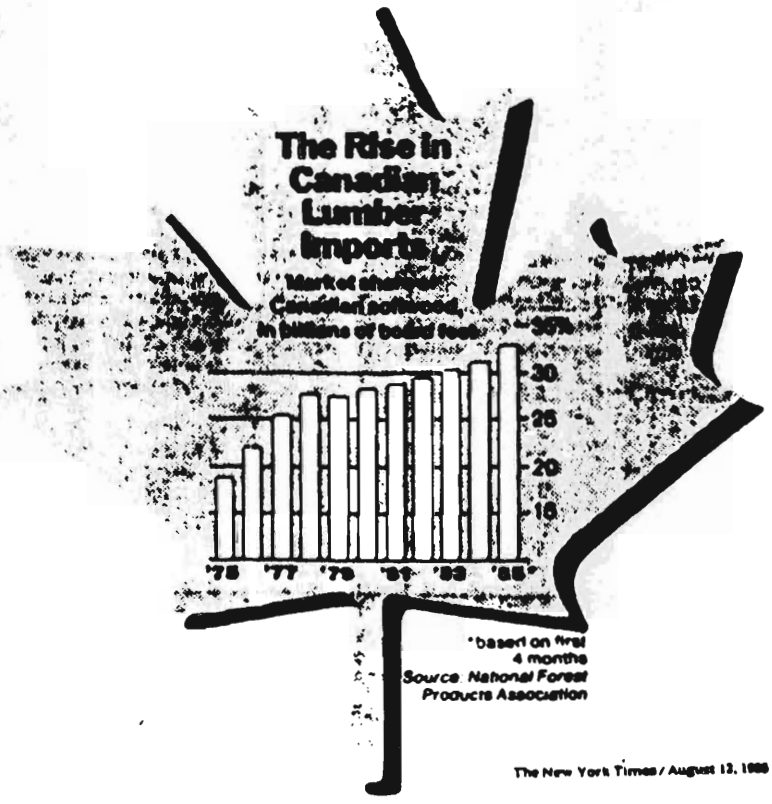
"The world was demanding our lumber, especially the United States," he said.

AN BE SPECIAL...



Spain's New Team Backs Austerity

8204072312



The New York Times / August 13, 1985

U.S.-Canadian Rift On Wood Exports

By DOUGLAS MARTIN

Special to The New York Times

VANCOUVER, British Columbia — A serious confrontation over Canada's growing lumber exports to the United States appears to be looming, with a flurry of legislation before Congress to limit shipments through duties or quotas.

The main issue is contentions by members of Congress and the American lumber industry that Canadian companies are buying standing timber from provincial governments at unfairly subsidized prices.

"In effect, the provinces give the timber to the manufacturers there," said Stanley S. Dennison, executive vice president of the Georgia-Pacific Corporation, perhaps the largest importer and marketer of Canadian lumber.

Canadians counter that their log prices are no lower than American ones in comparable areas and point to an extensive Commerce Department investigation in 1982 that concluded there were no "significant subsidies."

"It's very difficult for the provincial government to stop giving subsidies, if there is no subsidy," a Canadian Government official snapped.

But Trent Lott, Republican of Mississippi, the House Minority Whip, said, "Canada has to understand that there's a freight train coming down the track on this issue, and there's no brakeman."

The issue has clouded the world's biggest bilateral trade relationship, which President Reagan and Prime Minister Brian Mulroney pledged to try to enhance during their March summit meeting. Trade between the two nations last year surpassed $118 billion, double that between the United States and Japan.

Clayton K. Yeutter, the United States Trade Representative, said during his confirmation hearing recently that the United States and Canada cannot seal a free-trade deal until the lumber issue is resolved.

When Congress returns from summer recess, it will face a half-dozen bills to restrict Canadian lumber. The bill with the widest support, sponsored by some 70 Congressmen, was submitted by Representative Sam Gibbons, Democrat of Florida, chairman of the trade subcommittee of the House Ways and Means Committee. It calls for a change in the laws governing countervailing duties to punish governments that allow the extrac-

Continued on Page D6

Quarterly

By RICHARD W. STEVEN

Weak economic growth led t
luster corporate earning
ond quarter, with the
overwhelmed by depress
a wide range of industri
"The profits picture
pointing but not unexpec
slow economy in genera
half of the year," said
Gough, an economist at
sources Inc., the economic con
firm. The nation's economy g
only a 1 percent annual rate
first six months of 1985 and

Brazil Ma Delay Pa With I.M

By ALAN RIDING

Special to The New York Times

RIO DE JANEIRO, Aug.
Rather than accept an austeri
gram that could slow the co
economic recovery, Brazil'
Government now appears t
postponing, until 1986, the con
of a credit agreement with th
national Monetary Fund.

A planned rescheduling of $
lion in commercial debt matu
tween 1985 and 1991 may als
layed, since foreign banks h
sisted on fund approval of
stabilization program befor
pleting their stalled negotiat

After meeting President J
ney in Brasília last week,
Reed, chairman of Citicorp, s
"it has been our philosophy t
the guidance of the I.M F
added that "the President c
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time to restructure its econo

If formalized, the Brazilia
would confirm recent signs t
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should pay less heed to I.M
mands are winning an emi
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thodox" monetarists in the
Ministry.

'Studying the Idea'

"We're studying the idea,"
nance Minister, Francisco D
said last week. "There
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wants to break with the Fu

In recent public statement
dent Sarney has echoed the

Continued on Page D

U.S. Department of Justice
Washington, D.C. 20530

OMB No. 1105-0011
Approval Expires Oct. 31, 1986

Short-Form Registration Statement

Under the Foreign Agents Registration Act of 1938, as amended

A partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related or similar capacity.

1. Name Kimberly Sue Olson	Registration No. 3597
2. Residence Address 225 1/2 C Street, N.E. Washington, D.C. 20002	3. Business Address 1200 New Hampshire Avenue, N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958; Arlington, Washington Present Citizenship United States	5. If present citizenship was not acquired by birth, indicate when, where, and how acquired.

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file this statement?

Name APCO Associates Address 1200 New Hampshire Avenue, N.W. Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association
[SEE ATTACHMENT A for additional names.]

9. Indicate your connection with the individual or organization named in Item 7:
- ☐ partner
- ☐ director
- ☒ employee
- ☐ officer
- ☐ associate
- ☐ agent
- ☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If you are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be used.)*

As Legislative Associate, I will perform all necessary functions in that capacity.

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SECTION
REGISTRATION UNIT

Do any of the above described services include political activity as defined in the footnote below?
☒ Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined in the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
☒ full time basis ☐ part time basis ☐ special basis

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____
☐ Fee: Amount $ _____ ☐ Other thing of value _____

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount
I receive a regular salary plus out-of-pocket expenses.		

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with an election to political office or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

12/19/85
Date of Signature

Kimberly Olson
Signature

Subscribed and sworn to before me at Washington, D.C.

this 19 day of Dec, 19 85.

Patricia M Davies
Signature of notary or other officer

My commission expires Jan 31, 19 90.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/My salary is paid on an annual basis in semi-monthly installments without regard to time spent on particular matters.

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ATTACHMENT A

Amok, Ltd.

Eldorado Resources Limited

Uranerz Exploration and Mining Limited

Canadian Meat Council

Profilo Holding A.S.

Saskatchewan Mining Development Corporation

Corporacion Nacional del Cobre de Chile (Codelco)

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U.S. Department of Justice
Washington, DC 20530

Exhibit B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Oct. 31, 1983

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	3597

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

(See answer to Number 4, below.)

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

The fee for such services is to be determined periodically based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal in connection with rendering advice on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1] Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant may engage in political activities on behalf of the foreign principal. The Registrant's activities may, on occasion, include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with members of the U.S. Senate and House of Representatives and their staffs relating to legislation and actions of the Executive Branch and government agencies that may affect or relate to the foreign principal.

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Date of Exhibit B	Name and Title	Signature
February 6, 1986	Margery Kraus, Executive Vice President	MKraus

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, perver[illegible] in any other way influence any agency or official of the Government of the United States or any section of [illegible]ible within the United States with reference to formulating, adopting, or changing t[illegible]estic or foreign policies of the United States or with reference to the political or public interests, policies, or rel[illegible] of a government of a foreign country or a foreign political party.

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U.S. Department of Justice
Washington, DC 20530

Supplemental Statement
Pursuant to Section 2 of the Foreign Agents Registration Act of 1938, as amended.

OMB No. 1105-0007
Approval Expires Oct. 31, 1986

DEC 20

For Six Month Period Ending _____
(Insert date)

Name of Registrant APCO Associates **Registration No.** 3597

Business Address of Registrant 1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

I—REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual: N/A

(1) Residence address	Yes ☐	No ☐
(2) Citizenship	Yes ☐	No ☐
(3) Occupation	Yes ☐	No ☐

(b) If an organization:

(1) Name	Yes ☐	No ☒
(2) Ownership or control	Yes ☐	No ☒
(3) Branch offices	Yes ☐	No ☒

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2. Explain fully all changes, if any, indicated in item 1. N/A

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	*Position*	*Date Connection Ended*
N/A		

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4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Residence Address*	*Citizenship*	*Position*	*Date Assumed*

5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal? Yes ☐ No ☐ N/A

If yes, identify each such person and describe his services.

6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name	*Position or connection*	*Date terminated*

7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity? Yes ☒ No ☐

If yes, furnish the following information:

Name	*Residence Address*	*Position or connection*	*Date connection began*
David Parkhurst	4509 Everett St Kensington, MD 20895	Researcher	September 1, 1985
Anita Epstein	409 Greenbrier Drive Silver Spring, MD 20910	Senior Legislative Associate	September 1, 1985

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II—FOREIGN PRINCIPAL

8. Has your connection with any foreign prinicpal ended during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information: N/A

Name of foreign principal *Date of Termination*

9. Have you acquired any new foreign principal[1] during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information: N/A

Name and address of foreign principal *Date acquired*

10. In addition to those named in Items 8 and 9, if any, list the foreign principals[1] whom you continued to represent during the 6 month reporting period.

Korean Traders Assoc.
World Trade Center, Korea Bldg.
C.P.O. Box 1117
Seoul, Korea

Canadian Forest Industries Council
85 Albert Street
Ottawa, Ontario
Canada K1P 6A4

III—ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes XX No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

See Attachment A

[1]The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity[1] as defined below?
Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

See Attachment B

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully. N/A

[1]The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party

IV—FINANCIAL INFORMATION

14. (a) **RECEIPTS—MONIES**

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.[3]

Date		*From Whom*	*Purpose*	*Amount*
6-31-85	A&P	(Korean Traders)	Fees	3,342.50
6-31-85	A&P	(Korean Traders)	Disbursements	299.31
11-4-85	A&P	(Korean Traders)	Fees	121.25
11-4-85	A&P	(Korean Traders)	Disbursements	30.00
12-2-85	A&P	(Korean Traders)	Fees	205.00
7-31-85	A&P	(Canadian Forest Industries)	Fees	28,170.00
7-31-85	A&P	(Canadian Forest Industries)	Disbursements	906.25
			Total	

(Question 14 (a) is continued on following page)

(b) **RECEIPTS—THINGS OF VALUE**

During this 6 month reporting period, have you received any thing of value[4] other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?
Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal	*Date received*	*Description of thing of value*	*Purpose*
[redacted]			

[3] A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).
[4] Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

14 (a) Receipts-Monies (Continued)

Date	From Whom	Purpose	Amount
8-8-85	A&P (Canadian Forest Industries)	Fees	56,711.25
8-8-85	A&P (Canadian Forest Industries)	Disbursements	7,923.67
8-30-85	A&P (Canadian Forest Industries)	Fees	48,014.25
8-30-85	A&P (Canadian Forest Industries)	Disbursements	4,126.15
10-2-85	A&P (Canadian Forest Industries)	Fees	55,592.25
10-2-85	A&P (Canadian Forest Industries)	Disbursements	5,832.69
11-4-85	A&P (Canadian Forest Industries)	Fees	78,624.50
11-4-85	A&P (Canadian Forest Industries)	Disbursements	20,412.05
11-26-85	A&P (Canadian Forest Industries)	Fees	103,113.50
11-26-85	A&P (Canadian Forest Industries)	Disbursements	28,767.29

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15. (a) DISBURSEMENTS—MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	*To Whom*	*Purpose*	*Amount*
Korean Traders			
Various	Xerox Corporation	Duplicating	0.30
11-11-85	Arnold & Porter	Secretarial Services	192.50
Canadian Forest Industries Council			
Various	Xerox Corporation	Duplicating	21,967.94
Various	C & P Telephone	Telephone	717.83
Various	U.S. Postal Service	Postage	1,012.16
Various	APCO Employees	Cash Expense	4,036.83
Various	APCO Employees	Local Transportation	2,098.05
Various	Arnold & Porter	Secretarial Services	16,503.75
Various	Federal Express	Courier Service	229.95
Various	RCA Global Communications	Telex	502.85
Various	Mead Data Central	Lexis	5,704.63
8-26-85	Washington Service Bureau	Publications	29.80
9-26-85	National Journal	Publications	1.74
11-11-85	Arnold & Porter	Legal Assistant Services	11,636.50
Various	The Bread Oven	Meals	20.35
10-28-85	Guest Services	Meals	52.55
10-22-85	The Hunt Room	Meals	882.55
10-11-85	Hyatt Regency	Meals	1,675.08

Total

8 9 0 4 0 7 2 3 2 4

15. (b) DISBURSEMENTS—THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value[5] other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?
Yes ☐ No ☒

If yes, furnish the following information:

Date disposed	*Name of person to whom given*	*On behalf of what foreign principal*	*Description of thing of value*	*Purpose*
N/A				

(c) DISBURSEMENTS—POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value[5] in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?
Yes ☐ No ☒ */However, the following person who has filed a Short-Form Registration Statement has made contributions in connection with Elections for federal offices:

If yes, furnish the following information:

Date	*Amount or thing of value*	*Name of political organization*	*Name of candidate*
Margery Kraus 10/28/85	$250	Fascell for Congress	Dante Fascell

8 2 0 4 0 7 2 3 2 5

V—POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal. Canadian Forest Industries Council

[5]Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☐ Radio or TV broadcasts ☐ Magazine or newspaper articles ☐ Motion picture films ☒ Letters or telegrams

☐ Advertising campaigns ☒ Press releases ☒ Pamphlets or other publications ☐ Lectures or speeches

☒ Other *(specify)* Memoranda

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☐ Libraries

☒ Legislators ☒ Editors ☐ Educational institutions

☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups

☐ Other *(specify)* _____

21. What language was used in this political propaganda:

☒ English ☐ Other *(specify)* _____

22. Did you file with the Registration Section, U.S. Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period? Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, U.S. Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act? Yes ☒ No ☐

VI—EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

(a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A[6] Yes ☐ No ☐ N/A

Exhibit B[7] Yes ☐ No ☐

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? N/A Yes ☐ No ☐

If no, please attach the required amendment. N/A

[6]The Exhibit A, which is filed on Form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.

[7]The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

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26. **EXHIBIT C**

If you have previously filed an Exhibit C[4], state whether any changes therein have occurred during this 6 month reporti period. Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment. N/A

---

27. **SHORT FORM REGISTRATION STATEMENT**

Have short form registration statements been filed by all of the persons named in Items 5 and 7 of the supplemental stateme Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statem and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entir true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such i formation is not within his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Margery Kraus

Subscribed and sworn to before me at Washington, D. C.

this 3rd day of February, 1986

Margaret A. Ware

(Signature of notary or other officer)

My Commission Expires June 1, 1986

[4]The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiv the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Jus Washington, D.C. 20530.)

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to Sen. Sarbanes, on October 16, 1985; with Jim Guthrie, Aide to Sen. Biden, on October 17, 1985; with David Rudd, Aide to Sen. Hollings, on October 17, 1985; with Ruth Kurtz, Aide to Sen. Roth, on October 17, 1985; with Mary Ann Richardson, Aide to Rep. Lundine, on October 23, 1985; with Karen Johnson, Aide to Rep. Towns, on November 6, 1985; with Sen. Long, US Senator, on November 6, 1985; with Sen. Johnston, US Senator, on November 6, 1985; with Russell Smith and Becca Gould, Aides to Rep. Broyhill, on November 7, 1985; with Barbara Eymen, Aide to Rep. Panetta, on November 8, 1985; with Gregg Mounts, Aide to Rep. Dingell, on November 8, 1985; with Orlando Potter, Aide to Sen. Pell, on November 5, 1985; with Rep. Clinger, US Congressman, on November 16, 1985; with Randall Luthi, Aide to Sen. Simpson, on November 19, 1985; with Sen. Baucus, US Senator, on November 21, 1985; with Rep. Duncan, US Congressman, on November 21, 1985; with Rep. W. Lehman, US Congressman, on December 4, 1985; with David Roach, Aide to Rep. Williams, on June 14, 1985; with Cindy Wilhite, Aide to Rep. R. Smith (OR), on June 14, 1985; with Rep. Wyden, US Congressman, on June 14, 1985 and July 26, 1985; with Rich Brown, Aide to Rep. Wyden, on June 14, 24, 1985 and July 26, 1985 and August 30, 1985; with Rep. Schulze, US Congressman, on June 19, 1985 and October 23, 1985; with Rich Merski, Aide to Rep. Schulze, on June 19, 1985; with Rick Samans, Aide to Rep. Pease, on June 27, 1985; with Pat Eveland, Aide to Rep. Frenzel, on June 28, 1985; September 9, 1985 and October 3, 21, 1985; with Jim Schlict, Aide to Rep. Heftel, on July 1, 1985 and October 22, 1985; with George Weise, Ways and Means Committee, on July 24, 1985, September 11, 13, 1985, October 3, 1985, November 6, 1985 and December 16, 1985; with Meredith Broadbent, Minority Staff - Ways and Means Committee, on July 24, 1985; with Jeff Lang, Senate Finance Committee, on July 24, 1985; with Mike Pate, Aide to Sen. Bentsen, on July 24, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Anthony, US Congressman, on July 25, 1985 and September 10, 1985; with Rep. AuCoin, US Congressman, on July 25,

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ATTACHMENT A

11. During this 6-month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9 and 10 of this statement?

X Yes _____ No.

If yes, identify each such foreign principal and describe in full detail your activities and services:

Korean Traders Association

No activities

Canadian Forest Industries Council

The Registrant assisted Arnold & Porter in representing the Principal in connection with proposed legislation with respect to efforts to restrict imports of lumber and other forest products from Canada.

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1985; with Jan Kinney, Aide to Rep. Jenkins, on July 25, 1985; with Rep. Bonker, US Congressman, on July 25, 1985 and October 30, 1985; with Mark Murray, Aide to Rep. Bonker, on July 25, 1985; with Sen. Durenberger, US Senator, on July 25, 1985; with Jimmy Powell, Aide to Sen. Durenberger, on July 17, 19, 25, 1985 and November 19, 1985; with Carolyn Blaydes, Aide to Rep. Downey, on September 11, 1985; with Woody Keeney, Aide to Rep. Gregg, on September 11, 1985; Rep. Jacobs, US Congressman, on September 11, 1985; with Leslie Brown, Aide to Rep. Gradison, September 11, 1985; with Jonas Bobelis, Aide to Schulze, on September 11, 1985; with Rufus Yerxa, Trade Sub., Ways and Means, on September 13, 1985 and December 16, 1985; with Sandra Taylor, Aide to Sen. Chafee, on September 18, 1985; with Ed Greelegs, Aide to Rep. Russo, on September 16, 1985; with Peter Knight, Aide to Sen. Gore, on July 25, 1985; with Leon Fuerth, Aide to Sen. Gore, on July 25, 1985; with Henry Barton and Mark Elam, Aides to Rep. Campbell, on September 9, 1985; with Tom Friemuth, Aide to Rep. Daub, on September 9, 1985; with Donna Feinberg, Aide to Rep. Dorgan, on September 9, 1985; with Anne Urban, Aide to Rep. Kennelly, on September 9, 1985; with Rep. Don Pease, US Congressman, on September 10, 1985; with Jim Hawley, Aide to Rep. Gephardt, on September 10, 1985; with Bob Ludwiczak, Aide to Sen. Grassley, on September 18, 1985 and October 4, 1985; with Greg Farmer, Aide to Rep. MacKay, on October 2, 1985; Tom Spulak, House Rules Committee, on October 2, 1985 and November 8, 1985; with Pat Maclauseland, Aide to Sen. Gorton, on October 4, 1985; with David Bley, Aide to Rep. Lowry, on October 7, 17, 1985; with Rep. Mike Lowry, US Congressman, on October 7, 17, 1985; with Thelma Askey, Minority Staff-Ways and Means Committee, on November 4, 1985; with Chris Finn, Aide to Rep. J. Jones, on November 11, 1985; with Rep. Sikorski, US Congressman, on November 8, 1985; with Rep. Richardson, US Congressman, on November 14, 1985; with Dan Evans, Aide to Rep. Bonker, on December 6, 1985; with Louis Roth, Aide to Sen. Glenn, on October 9, 1985; with Rep. Feighan, US Congressman, on October 9, 1985; with Floyd Pithian and Dan McGrath, Aides to Sen. Simon, on October 9, 19, 1985; with Phil Rotondi, Aide to Rep. Foglietta, on October 17, 1985; with Bill Morley, Aide to Sen. Spector, on October 17, 1985; with Sen. Gorton, US Senator, on October 18, 1985; with

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Rep. Dicks, US Congress, on October 18, 1985; with Joe Mentor, Aide to Sen. Evans, on October 18, 1985; with Charles Broches, Aide to Rep. J. Miller, on October 18, 1985; with Sam Story, Aide to Rep. Emerson, on October 21, 1985 and November 18, 1985; with Rep. Fascell, US Congressman, on October 21, 1985 and November 18, 1985; with Rep. R. Young, US Congressman, on October 23, 1985; with Rep. Erdreich, US Congressman, on October 29, 1985; with Frank Toohey, Aide to Rep. Flippo, on October 29, 1985; with Steve Raulston, Aide to Rep. Dickinson, on October 29, 1985; with Rep. Archer, US Congressman, on July 25, 1985; with Rep. Emerson, US Congressman, on October 9, 1985; with Rep. Stangeland, US Congressman, on October 9, 1985; with Rep. St. Germaine, US Congressman, on October 9, 1985; with Marcia Aronoff, Aide to Sen. Bradley, on October 9, 1985; with Rep. Michel, US Congressman, on October 19, 1985; with Rob Kirchner and Jim Cuttell, Aides to Rep. Roukema, on October 19, 1985; with Pat Wait, Aide to Rep. Bentley, on October 19, 1985; H.P. Goldfield, Assistant Sec. Commerce Dept, on June 25, 1985; with Jim Medas, Dept. Asst. Sec. of State for Canadian Affairs, on June 26, 1985, July 15, 17, 22, 1985, and October 7, 1985; with John Anderson, Commerce Department, on September 6, 1985; with Bill Merkin, USTR, on July 25, 1985, August 13, 1985, September 12, 1985, October 7, 11, 21, 24, 1985, and November 5, 12, and 22, 1985; with John Stiner, Commerce Department, on August 14, 1985, October 8, 16 29, 1985, November 15, 1985; with Mike Kelly, Commerce Department, on August 14, 1985, October 15, 21, 30, 1985; with Alex Platt, National Security Council, on November 20, 22, 1985; with Amb. Michael Smith, Deputy USTR, on July 24, 1985; with Alan Holmer, General Counsel - USTR, July 24, 25, 1985; with Gene Allister, White House Staff, on August 28, 1985 and September 10, 1985; with Susan Beasley, Treasury, September 12, 1985; with Andy Card, Special Asst., The White House, on September 5, 1985 and October 8, 1985; with Chris Kristiansen, Commerce Department, on October 21, 1985; with Lehman Li, White House Staff, on November 5, 1985; with Ann Hughes,

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Deputy Assistant Sec. - Commerce, on August 14, 1985 and November 22, 1985; with Bill Barreda and Bill Murden, Treasury, on August 13, 1985; with Tom Kay, Agriculture, on August 14, 1985; with Bruce Smart, UnderSecretary of International Trade, Department of Commerce, on August 14, 1985; with Robert Searby, Betsy White and Chris Hankin, Labor, on August 14, 1985; with Robert Cornell, Treasury, on September 12, 1985; with Randy Davis, Office of Management and Budget, on September 11, 1985; with Thomas Moore and Joseph Stone, Council of Economic Advisors, on August 14, 1985; with Doug McMinn, Department of State, on October 21, 1985; with Mike Farren, Commerce Department, on November 22, 1985.

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U.S. Department of Justice
Washington, D.C. 2053.

Short-Form Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

Each partner, officer, director, associate, employee and agent of a registrant is required to file a short form registration statement unless he engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related or similar capacity.

1. Name Kimberly Sue Olson	Registration No. 3597
2. Residence Address 225½ C Street, N.E. Washington, D.C. 20002	3. Business Address 1200 New Hampshire Ave., N.W. Washington, D.C. 20036
4. Date and Place of Birth August 8, 1958 Arlington, VA Present Citizenship United States	5. If present citizenship was not acquired by birth, indicate when, where, and how acquired.

6. Occupation
Legislative Associate

7. What is the name and address of the individual or organization whose registration made it necessary for you to file this statement?

Name APCO Associates Address 1200 New Hampshire Ave., N.W.
Washington, D.C. 20036

8. List every foreign principal of the individual or organization named in Item 7.
Canadian Forest Industries Council
Korean Traders Association

9. Indicate your connection with the individual or organization named in Item 7:
☐ partner ☐ director ☒ employee
☐ officer ☐ associate ☐ agent
☐ other *(specify)* _____

10. Describe in detail all services which you have rendered or will render to the individual or organization named in Item 7. If you are no longer rendering such services, indicate period of past services. *(If space is insufficient, a full insert page must be used.*

As Legislative Associate, Washington Services at APCO for the Canadian Forest Industries Council project only, I will perform all necessary functions in that capacity.

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11. Do any of the above described services include political activity as defined in the footnote below?
☒ Yes ☐ No

If yes, fully describe such political activity.

The Registrant firm may engage in political activities, as defined in the footnote, from time to time.

12. The services described in Item 10 are to be rendered on a
☒ full time basis ☐ part time basis ☐ special basis

13. What compensation are you receiving or will receive for above services?
☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____
☐ Fee: Amount $ _____ ☐ Other thing of value */

14. What compensation or thing of value have you received to date for above services?

Date	From Whom Received	Amount

I receive a regular salary plus out-of-pocket expenses

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with an election to political office or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

Date	Amount of thing of value	Name of political organization	Name of candidate

June 5, 1985
Date of Signature

Kimberly Olson
Signature

Subscribed and sworn to before me at Washington, D.C.

this 5th day of June, 19 85.

Margaret A. Vana
Signature of notary or other officer

My commission expires June 1, 1986.

Footnote: Political activities as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

GPO : 1984 O - 434-351

*/ My salary is paid on an annual basis in semi-monthly installments for time spent only on Canadi-- Forest Industries Council and administrative matt--s.

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U.S. Department of Justice
Washington, DC 20530

Amendment to Registration Statement
Pursuant to the Foreign Agents Registration Act of 1938, as amended

OMB No. 1124-0004
Approval Expires Oct. 31, 1983

1. Name of Registrant	2. Registration No.
APCO Associates	3597

3. This amendment is filed to accomplish the following indicated purpose or purposes:

- ☐ To correct a deficiency in
  - ☐ Initial Statement
  - ☐ Supplemental Statement for _____
- ☒ To give a 10-day notice of a change in information as required by Section 2(b) of the Act.
- ☐ Other purpose *(specify)* _____
- ☐ To give notice of change in an exhibit previously filed.

4. If this amendment requires the filing of a document or documents, please list-

Exhibits A & B

5. Each item checked above must be explained below in full detail together with, where appropriate, specific reference to and identity of the item in the registration statement to which it pertains. If more space is needed, full size insert sheets may be used.

This amendment to Registrant's Registration Statement is to give notice of a new foreign principal of the Registrant, the Canadian Forest Industries Council, and to file the necessary Exhibits A & B.

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Washington, DC 20530

Exhibit A
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1124-0003
Approval Expires Oct. 31, 1985

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant
APCO Associates
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

2. Registration No.
3597

3. Name of foreign principal
Canadian Forest Industries Council

4. Principal address of foreign principal
85 Albert Street
Ottawa, Ontario
Canada K1P 6A4

5. Indicate whether your foreign principal is one of the following type:

☐ Foreign government

☐ Foreign political party

☒ Foreign or ☐ domestic organization: If either, check one of the following:

☐ Partnership ☐ Committee

☐ Corporation ☐ Voluntary group

☐ Association ☒ Other (specify) Council

☐ Individual—State his nationality

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.
N/A

b) Name and title of official with whom registrant deals.

7. If the foreign principal is a foreign political party, state:

a) Principal address
N/A

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal
The foreign principal aims to provide a vehicle through which the forest industries of Canada, as represented by their respective associatior may actively support common national or regional objectives. With referenc to the U.S., the foreign principal tries to ensure the long term viability of the forest industries by defending them against trade restrictions.

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b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Directed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Financed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page may be used.)*

The foreign principal is owned, directed, controlled and financed by the following Canadian associations:

Alberta Forest Products Association
Canadian Lumbermen's Association
Canadian Pulp and Paper Association
Canadian Wood Council
Cariboo Lumber Manufacturers' Association
Central Forest Products Association, Inc.
Council of Forest Industries of British Columbia
COFI-Northern Interior Lumber Sector
Interior Lumber Manufacturer's Association
Maritime Lumber Bureau
New Brunswick Forest Products Association
Nova Scotia Forest Products Association
Ontario Forest Industries Association
Ontario Lumber Manufacturers Association
L'Association des Industries Forestieres du Quebec Limitee
The Western Plywood Manufacturers Association

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10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

The undersigned swear(s) or affirm(s) that he has *(they have)* read the information set forth in this amendment and that he is *(they are)* familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his *(their)* knowledge and belief.

Margery Kearney

(Both copies of this amendment shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at Washington, D.C.

this 20th day of May, 1985 Margaret A. Cavo
(Notary or other officer)

My commission expires June 1, 1986

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U.S. Department of Justice
Washington, DC 20530

EXHIBIT B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Oct. 31, 1983

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
APCO Associates	Canadian Forest Industries Council

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

See Number 4 Below.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

The fee for such services is to be determined based on usual hourly charges, plus out-of-pocket expenses. The duration of the agreement is indefinite.

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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant will provide services to Arnold & Porter with respect to its representation of the foreign principal with respect to actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other products from Canada.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1]
Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant will engage in political activities on behalf of the foreign principal. The Registrant's activities may on occasion include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with Members of the U.S. Senate and House of Representatives and their staffs relating to legislation and other actions of the United States Government that might lead to restrictions on imports of softwood lumber, shakes and shingles, and other forest products from Canada.

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Date of Exhibit B	Name and Title	Signature
May 20, 1985	Margery Kraus Executive Vice President	Margery Kraus

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or by any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of the government of a foreign country or a foreign political party.

Attachment 1

APCO Associates

Board of Directors

Dennis G. Lyons	1203-S. Watergate East 2500 Virginia Ave., N.W. Washington, D.C. 20037	Chairman	U.S.
Myron P. Curzan	5519 Uppingham St. Chevy Chase, MD 20815	Director	U.S.
G. Duane Vieth	3717 Cardiff Road Chevy Chase, MD 20815	Director	U.S.
Stuart J. Land	1816-24th St., N.W. Washington, D.C. 20008	Director	U.S.
Murray H. Bring	7013 Heatherhill Rd. Bethesda, MD 20034	Director	U.S.
James F. Fitzpatrick	3848 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Norman M. Sinel	3710 Harrison St., N.W. Washington, D.C. 20015	Director	U.S.
Michael N. Sohn	6806 Florida St. Chevy Chase, MD 20015	Director	U.S.
David R. Kentoff	8416 Fox Run Potomac, MD 20854	Director	U.S.
Margery Kraus	9609 Whitecedar Ct. Vienna, VA 22180	Director	U.S.

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APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 872-3665

FOR IMMEDIATE RELEASE

Margery Kraus
APCO Associates
(202) 872-3665

NEW DEVELOPMENT CONSULTING GROUP

ANNOUNCED BY ARNOLD & PORTER

Washington, D.C., March 29--Arnold & Porter, the 37-year-old Washington-based law firm, one of the city's largest, today spawned a new consulting group to provide the full range of services required for private and government development projects.

The new organization, APCO Associates, the Arnold & Porter Consulting Group, will extend the services normally available in a law firm to include the full range of disciplines necessary to assist in the planning of complex development projects. These include financial, marketing, management and development services.

Through an affiliated company, MPC & Associates, Inc., implementation services will also be offered to public and private entities undertaking these development projects.

This combination of services is specially designed to provide development expertise for institutions of learning, cities, non-profits and private/ public partnerships in dealing with private and governmental sectors.

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Announcing establishment of the new group, Myron P. Curzan, an Arnold & Porter partner and president of APCO, said: "Throughout its history Arnold & Porter has delivered a full range of traditional legal services to clients in the public and private sectors. The complexity of the economic environment of the 1980's has created a new set of problems requiring innovative solutions, often involving a disparate set of actors from the public and private sectors. In order to respond to these changing needs and to changes in the practice of law, Arnold & Porter has created APCO -- The Arnold & Porter Consulting Group."

Dennis Lyons, another Arnold & Porter partner, is chairman of APCO. The firm decided on a non-lawyer and outsider to serve as Chief Operating Officer and Executive Vice President of APCO. She is Margery Kraus, until now Vice President of the Close Up Foundation, a multi-million dollar educational foundation which develops citizenship education programs. Mrs. Kraus, who is married and the mother of three children, has had thirteen years of varied management and development experience. She is also a member of the board of directors of Intervest, Inc., a real estate investment firm.

APCO has offices in the Thurman Arnold Building, 1200 New Hampshire Avenue, N.W.

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1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 872-3665

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BIOGRAPHICAL SKETCH OF

MYRON P. CURZAN

Mr. Curzan joined Arnold & Porter in 1967 and became a partner in the firm in 1973. In his work at the firm, he has specialized in development projects relating to real estate and telecommunications. These projects have included the development of the satellite interconnection system for public broadcasting, the creation of the delivery mechanism to provide closed captioning services to the hearing-impaired, and the representation of various foundations, governmental entities, community development corporations, and private companies on the use of federal programs and appropriate development procedures for financing and managing large-scale real estate projects that utilize public and private capital.

Over the years, Mr. Curzan has served on a number of national committees and task forces in conjunction with his work in the housing field. Some of these include work as the Executive Director of the Task Force on Improving the Operation of Federally Insured or Financed Housing Programs established by the National Center for Housing Management, counsel to the HUD-established Task Force on Housing Management, and member of the Advisory Board of the Bureau of National Affairs Housing and Development Reporter.

In addition to this work at Arnold & Porter, Mr. Curzan has served as a Director of the Scovill Manufacturing Company, 1972-1978; and a Director of the Council on Public Interest Law, 1978-1980. He is currently a Director of Connecticut Mutual Life Insurance Company.

Mr. Curzan received his B.A., magna cum laude, Phi Beta Kappa from Columbia College. He was selected as a Woodrow Wilson Fellow and received his M.A. from Yale University. His LL.B., magna cum laude was received at Columbia Law School where he was a Harlan F. Stone Scholar and a member of the Columbia Law Review. He is married and lives with his wife and three children in Chevy Chase, Maryland.

APCO
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BIOGRAPHICAL SKETCH OF

MARGERY KRAUS

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

Mrs. Kraus joined APCO Associates as its chief operating officer on February 1, 1984. Prior to that time, she was Vice President for the Close Up Foundation, a multi-million dollar educational foundation which develops political education programs for high school students and teachers on a national basis.

During her 13 years at the Close Up Foundation, she played a key part in developing the organization from a $100,000 per year operation with five employees to a $15 million per year organization with over 150 employees. Mrs. Kraus had direct responsibility for both administration and program development, in addition to fundraising and legislative relations. Among her many accomplishments at Close Up was the development of the Close Up Telecommunications Project, which now provides over 100 live television programs a year to schools and homes around the country on the Cable Satellite Public Affairs Network (C-SPAN).

Mrs. Kraus' outside activities include membership on the Board of Directors of Intervest, Inc., a real estate investment and management firm and membership on the Educational Task Force of Project '87, an effort to commemorate the Bicentennial of the Constitution. She is also a regular correspondent to a series of women's newspapers through a monthly column, Washington Watch. Mrs. Kraus is listed in Who's Who of American Women.

Mrs. Kraus received a B.A. from Knox College and American University, magna cum laude with honors in government. She received an M.A. in Government and Public Law from American University. She is married and lives with her husband and three children in Vienna, Virginia.

THE APCO STORY

THROUGHOUT ITS HISTORY, ARNOLD & PORTER HAS DELIVERED A FULL RANGE OF LEGAL SERVICES TO CLIENTS IN THE PUBLIC AND PRIVATE SECTORS. MANY OF THESE SERVICES HAVE INVOLVED THE DEVELOPMENT OF PROJECTS THAT REQUIRED INTERDISCIPLINARY APPROACHES TO THE SOLUTION OF COMPLEX PROBLEMS.

IN ORDER TO OFFER A WIDER RANGE OF SERVICES, ARNOLD & PORTER HAS ESTABLISHED A CONSULTING FIRM, APCO ASSOCIATES, TO SERVE CLIENTS IN THE PUBLIC AND PRIVATE SECTORS WHO ARE PLANNING OR IMPLEMENTING COMPLEX DEVELOPMENTAL PROJECTS.

INITIAL AREAS OF CONCENTRATION FOR APCO WILL INCLUDE THE FOLLOWING:

- SERVICES TO UNIVERSITIES REGARDING THE USE OF THEIR PROPERTY AND THE DELIVERY OF SERVICES TO BOTH THE CAMPUS AND OUTSIDE COMMUNITIES; THE EXPANSION OF UNIVERSITY MEDICAL BASED FACILITIES; AND THE DEVELOPMENT OF APPROACHES FOR EXPANDING FINANCIAL RESOURCES AND INVESTMENT OPPORTUNITIES OF INSTITUTIONS OF HIGHER EDUCATION.
- SERVICES TO PRIVATE ENTITIES FACING UNIQUE DEVELOPMENT AND INVESTMENT PROBLEMS THAT REQUIRE INPUT FROM MULTI-DISCIPLINARY CONSULTING TEAMS.
- SERVICES TO LOCAL GOVERNMENT THAT INVOLVE THE DEVELOPMENT AND FINANCING OF REAL ESTATE VENTURES IN WHICH THESE GOVERNMENTAL ENTITIES WILL HAVE AN ONGOING INTEREST.
- LOBBYING AND INFORMATION SERVICES TO AID LOCAL GOVERNMENTS AND OTHERS IN DEALING WITH WASHINGTON-BASED PROBLEMS.

APCO WILL BE GUIDED BY A BOARD OF DIRECTORS COMPOSED OF NINE SENIOR PARTNERS OF ARNOLD & PORTER. THE COMPANY WILL BE MANAGED BY MYRON P. CURZAN, AN ARNOLD & PORTER PARTNER, WHO WILL SERVE AS ITS PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND BY MARGERY KRAUS, FORMERLY VICE PRESIDENT OF THE CLOSE UP FOUNDATION, WHO WILL SERVE AS APCO'S EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER.

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APCO
ASSOCIATES
THE ARNOLD & PORTER CONSULTING GROUP
1200 New Hampshire Avenue, N.W.
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(202) 872-3665

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FIRM PROFILE

APCO Associates, The Arnold & Porter Consulting Group, was recently formed as a spinoff of the Washington law firm of Arnold & Porter. It is headed by Myron P. Curzan, an Arnold & Porter partner who specializes in the planning and development of real estate and telecommunications projects for private and nonprofit institutions, and Margery Kraus who recently joined APCO after 13 years in the management and financing of development projects for nonprofit organizations.

APCO brings to its projects a multi-disciplinary approach to problem-solving and development issues. It utilizes both the talents of Arnold & Porter attorneys and the non-legal professionals of APCO and the firms with which it contracts. APCO draws upon four kinds of skills as it works with clients: legal, financial, marketing, and development.

APCO normally uses a three-phased planning process that assumes full client participation at each step. Simple but critical questions lie at the heart of each phase.

I. CAN THIS PROJECT BE DONE?

A multi-disciplinary feasibility study is done to determine:

- whether the basic concept of the project is sound and whether the client's objectives are clear;
- the range of legal, financial, marketing, management, and development options available for successfully implementing the project;
- the resources that can be called upon by the client or by the project;
- the magnitude of the potential obstacles to a successful outcome for the venture; and
- the long-range potential of the project for success in light of the client's goals.

II. WHAT APPROACH(ES) SHOULD BE TAKEN TO ACHIEVE THE CLIENT'S GOALS?

APCO and the client draw up a total plan for the entire project. The plan:

- begins with an analysis of each factor affecting the outcome;
- indicates the relevant expertise for dealing with each problem;
- suggests the action options most suited to achieving the client's objectives; and
- sets forth the timing for each phase of activity.

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III. HOW SHOULD WE IMPLEMENT THE PLAN?

Once it is determined that the project can be accomplished and a sound approach has been devised to bring it to fruition, the implementation process begins. APCO or its sister corporation will then--at the client's request--take responsibility for various aspects of the project. APCO's services include:

- marshalling the diverse resources that the project requires and bringing them to the development process in a timely way;
- managing the professionals who are needed to carry out the plan;
- providing an "early warning system" that signals difficulties and then working with the client to design appropriate responses;
- providing the client with periodic and realistic assessments of progress; and
- developing a long-term operations and management program for the venture.

APCO'S CLIENT SERVICES

APCO's services are designed for clients as diverse as its services. They include:

- Services to Universities. APCO works with public and private universities to help them make the best use of their increasingly limited resources. APCO

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personnel have developed innovative approaches for the development of faculty and student housing as well as multi-purpose university facilities.

- Services to Cities. APCO works with cities to overcome problems relating to the creation of new services and the redeployment of local resources. Recent projects undertaken by APCO and Arnold & Porter personnel have involved the planning and franchising of cable television and the review of multi-use real estate ventures.

- Services to Nonprofits and Private/Public Partnerships. APCO works with profit-making and nonprofit entities to devise unique approaches to the commencement of new services and the solution of problems that are interfering with current services. APCO personnel have worked on a wide range of programs; from expanding television offerings for the hearing impaired to ensuring a future for a prominent symphony.

- Washington Services. APCO, working closely with professionals at Arnold & Porter, has extensive experience in dealing with the federal government--on Capitol Hill, in the Executive Branch, and at the regulatory agencies. If the problem requires a Washington-based solution, APCO can normally provide the necessary assistance.

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Personalities

By Chuck Conconi
Washington Post Staff Writer

Circulating around Capitol Hill this month is a handy handbook for members of Congress. The booklet, "Politicians and Their Spouses' Careers," covers a subject the Founding Fathers never anticipated: the spouse's job. Former Capitol Hill administrative aide **Marc K. Miller**, the author of the book, said the need for such a booklet became apparent to him when Democratic Party vice-presidential candidate **Geraldine Ferraro** was called to answer questions about her husband's business activities.

Miller said his serious and almost academic work is for all those two-career marriages that are going to increase as congressional couples attempt to survive in Washington on a legislator's salary. There are, he added, few rules or guidelines to keep them out of trouble.

The book even includes a detailed legal and ethical checklist the working couple is to answer. It can, however, all be summarized in one standard, Miller said: "How would you feel if anything about your career appeared on the front page" of your local newspaper?



FATHER GILBERT HARTKE

End Notes

In one of those unexpected turns of events, Viking Penguin will publish an authorized biography of **Anatoly B. Shcharansky**, the Jewish dissident who was allowed to leave the Soviet Union last week and is now living in Israel. When the publishers contracted for the work with British historian **Martin Gilbert**, a portion of the proceeds was to go to a fund for the Shcharansky family to continue to seek his freedom. That agreement remains now that he is free and the book is even more timely. Gilbert, who is the author of an eight-volume life of Winston Churchill, also wrote "The Jews of Hope," about Soviet dissidents, and "The Holocaust." A copy of the finished manuscript is to be sent to Shcharansky . . .

Father **Gilbert Hartke**, one of the fathers of Washington theater, is in critical condition with multiple heart and kidney ailments at Providence Hospital, where he has been since Feb. 12. The 78-year-old Dominican priest, who founded and was chairman of Catholic University's theater department for nearly 40 years, has had a number of hospitalizations over the past year. Since October, he has been hospitalized seven times . . .

Syndicated columnist **Art Buchwald** hosted a salute at New York University's Tamiment Library Wednesday to honor Virginia Durr, an 82-year-old civil rights activist from Alabama who published her autobiography, "Outside the Magic Circle," at the end of last year. Buchwald staged a "This Is Your Life" presentation. Among the guests were television newsman **Mike Wallace**, **Bobby Kennedy Jr.**, authors **Carlos Fuentes** and **William Styron** and cartoonist **Jules Feiffer** . . .

Pop star **Madonna** and her tough-guy actor husband **Sean Penn** arrived in West Berlin yesterday surrounded by 15 bodyguards to keep the photographers and fans away. They traveled there from Hong Kong, where they were shooting a movie together, to attend the Berlin Film Festival. Penn is starring in the movie "At Close Range," which is being premiered there. Since Penn hates photographers so and has been in a few fights with them, the newsmen might have been thankful that the squad of bodyguards was present to keep Penn away from them . . .

Federal spending cuts of the kind mandated by the Gramm-Rudman-Hollings act hit home for Illinois Rep. **Lane Evans**. His 58-year-old father **Lee Evans** is now out of work. He was one of four people laid off in Rock Island, Ill., because of cutbacks in the federal community development block grants the city receives. Evans, who voted against Gramm-Rudman-Hollings, said he knew the legislation could possibly affect his father, but he isn't worried about him. He said, "He's an old salt from the Navy. He's been through worse, and he'll get through this. It's going to mean far worse things to less advantaged people. I'm concerned how all these program cuts are going to affect those people" . . .

Vice President **George Bush** was in Cheyenne, Wyo., Wednesday where he met with **John** and **Missy McPhillips**, the brother-sister fourth graders who are attempting to get elementary school children to raise money to build a new space shuttle. NASA isn't keeping separate counts on how much money the space agency has received from individual groups to build another Challenger, but so far a total of $23,000 has been donated. At the billion-dollar-neighborhood cost of a new Challenger, the school kids have a long way to go . . .

Personalities

By Chuck Conconi
Washington Post Staff Writer

First Lady **Nancy Reagan** is expected to give an official endorsement early next month to an 11-hour antidrug rock concert that will be broadcast by satellite to 150 nations, including the Soviet Union. Titled the Concert That Counts, the April 26 event, at a location yet to be decided, will include some of the biggest rock stars, according to the Los Angeles Times.

Since it is not a fund-raising concert, the big acts will be paid to perform. The purpose of the event is to deglamorize drug and alcohol use by showing big-name rock stars who do not indulge. The **Pointer Sisters** and **Toto** have signed up and on March 3 it will be announced which other stars will participate. Global Media Inc., the organizer, hopes to hold the concert at the Rose Bowl, but neighbors have protested. Alternative sites are the Los Angeles Memorial Coliseum and the Pontiac



Barbara Sinatra presents a trophy to Charles and the polo team he played with in California.

Millionaire Michael Deaver?

Since leaving the Reagan White House, **Michael Deaver** has been so successful in his public relations firm that Newsweek magazine is reporting that it is "almost certain" he has become a millionaire in the nine months since he left as deputy chief of staff. Deaver's quick success and his continued close association with **President** and **Nancy Reagan** have been the subject of previous press scrutiny.

In the current Newsweek article, titled "Cashing In on Reagan: A New Breed of Access Peddler Makes It Big," Deaver's new Georgetown-based firm is described as "one of the hottest startup ventures this side of Silicon Valley." Cashing in on political contacts and friendships is not a new thing to Washington, but the article says about a dozen former Reagan campaign aides and campaign officials operating with White House access have, according to one unidentified source in the article, caused concern that it's only a matter of time before there is a "major Washington political scandal involving this new breed of access peddlers."

...nd Notes

The various charity auction fundraisers around town try to outdo themselves each year by having a special item that will surely attract attention—for example, an antique automobile or a round trip to some exotic port. The Georgetown Preparatory School hasn't come up with that kind of glittery exotica. It is offering a 900-pound Black Angus steer, live or boxed. Now who could accept it boxed? If you brought it home to Georgetown or Potomac, it would make a trend-setting pet. Besides, red meat isn't good for you . . .

Royal Watch: **Prince Charles** left for home yesterday after resting up in the refined comforts of the Annenbergs' palatial Rancho Mirage, Calif., estate. After his whirlwind five days in Texas celebrating the state's 150th birthday, the traveling prince came to the home of former ambassador to the Court of St. James's **Walter Annenberg** and his wife **Leonore**, former U.S. chief of protocol, for some sunshine and polo. The team Charles rode with Saturday won the match and **Frank Sinatra**'s wife **Barbara** presented the prince with a trophy. Charles said he needed the exercise ...adly "and my liver needs it even more so." Then he quickly added: "They have very good food in Texas." Nice catch, Charles. Those Texans don't take kindly to such aspersions on their cuisine . . .

Royal Watch, Pacific Theater: Meanwhile mom **Queen Elizabeth** and dad **Prince Philip** are in Auckland, New Zealand, where yesterday the queen was hit in the leg with an egg thrown by a young woman protesting her visit. Another young woman threw an egg that hit the royal car. The queen appeared visibly upset by the attacks. There is also the possibility the Royal Couple may face, so to speak, a traditional Maori insult called "whakapohane:" a "21-bum salute," the baring of buttocks. If the whakapohane ever catches on here, it won't be safe for politicians to go out in public again . . .

Fiscal cutbacks are creating a new kind of social activist. Beginning March 9, the Library of Congress will be closed on Sundays and evening hours will be all but eliminated, making it truly a service available virtually to only Congress. Librarian of Congress Daniel J. Boorstin has expressed his concern, and tonight a candlelight vigil of students, professors and representatives of the blind will gather in front of the Jefferson Building. And even social activist for the homeless and hungry Mitch Snyder said he might attend

E BISMARCK TRIBUNE

, 1985 Vol 112, No. 101 Bismarck/Mandan, N.D. Committed To Excellence

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4/12/85

doors

...ch, both expected that Mandan merchants have ...raised concern about ...e of business as a result ...elopments.

...dan Penney's store has ...ating on a month-to- ...for the last four or five ...decision to close took a ...make," Kraft said.

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...at That slide would ...and would start 25 feet ...ard at Hillside.

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...ng expenses would be ...the Ranger uses less ...subsequently, needs a ... pump.

...er-low bid of $173,958 ...d by Basin Builders, ...ly by the John Larson ...$174,200. The highest ...was from Associated ... All bidders are from

...tonight," Hansell said. ...presidential election." ...commented on an interview today ...that the court system did a ...great injustice to Gary Dotson by sending him back to prison."

She said, "It wasn't just my testimony but the testimony of six other alibi witnesses to prove his innocence.

...issued Thursday to free Dotson, ...Sammons ruled that Dotson "failed to sustain his burden (of proof) and I cannot find that perjury was committed."

..."He's innocent! He's innocent!" screamed Webb as she was led from the courthouse Thursday supported by her husband and

...More on RAPE, Page 8A)

Dorgan to tie knot for the third time

Rep. Byron Dorgan plans to be married this weekend in Washington state, according to a district staff assistant, Lucy Calautti.

Calautti said Dorgan, who has been married twice, will wed Kim Olson of Washington, D.C. However, Calautti said she was unaware of details.

Washington aide Pat Carlson confirmed the Democratic congressman's marriage plans and said Dorgan, 42, plans to be back in Washington by the middle of next week. He said Dorgan has told staff members little about his impending marriage.

Byron considers this a personal matter, Carlson said.

Calautti said she does not know Olson's occupation.

"It's just that Byron is very personal about his personal life," she said. "He doesn't consider this something of public note."

Carlson said he did not know Olson's age, whether she had been married before, or the specific location of the wedding.

Dorgan, who has two children, was elected to the U.S. House in 1980 and was re-elected last November in a one-sided contest over Lois Altenburg of Fargo.



Dorgan is telling little about his marriage plans

A member of the House Ways and Means Commission, Dorgan was defeated in his first bid for a House seat in 1974. Dorgan is a native of Regent and has a bachelor's degree in business from the University of North Dakota and a master's degree from the University of Denver.

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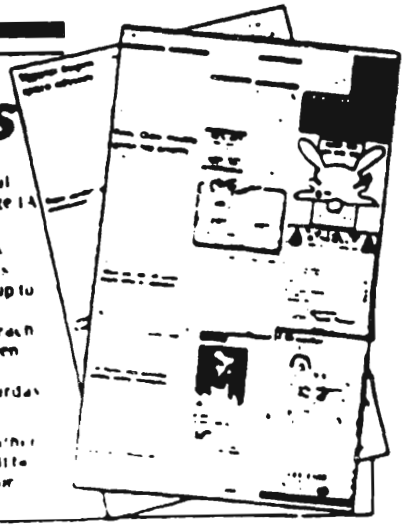
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The change will free Page 2A for national news, which is sometimes crowded off Page 1A by local and state news.

Page 2A will also be the location of a new category of advertising called Instant Ads. Instant Ads for this page will be accepted up to 11 a.m. on the day of publication, offering merchants and others the opportunity to reach customers much more quickly than has been possible in the past. The deadline is 5 p.m. Fridays for Saturday's paper and noon Saturday for the Sunday paper.

To make room for the new features, weather and Night section entertainment pages will be moved forward two pages in the first section.



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JUN 2 1985

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Fargo Forum

Dorgan won't share private life with public

By Cathy Mauk
STAFF WRITER

He'll tell you he lives on Capitol Hill, half a block south of the Hart Senate Office Building, and that for relaxation he plays tennis and basketball, and that the main reason he moved from Dupont Circle to The Hill three years ago was to avoid traffic jams.

But Rep. Byron Dorgan, D-N.D., believes in separating his job from his personal life, and he denied — politely, good-naturedly and quite firmly — The Forum's request for an interview in his home.

"I find that public life is difficult enough without making my private life public, too," Dorgan said.

"You can take a picture of the outside of my house," he said. "I'll give you the keys and you can go in and take pictures of the inside of the house. But you won't take a posed picture of Mr. and Mrs. Byron Dorgan at home. I won't do that."

Nor will Dorgan discuss his April marriage to Kim Olson of Washington. "Things get out and people read them in newpapers" Dorgan said. "That's unavoidable. But I don't think my personal life has anything to do with doing my job as a representative."

Dorgan said that while his home life is off limits to the public and the press, he makes a special effort to be accessible to his constituents. So he lists his phone number in the Washington directory. "And unlike most (congressmen) I don't screen my office calls," he said. "I hate it when you call someone and the receptionist asks 'May I tell him who's calling' or 'May I tell him the nature of your call?'"

Part of what's difficult about public life, Dorgan said, is the pace. "You start out knowing that 30 weekends a year you're going to be working," he said "You fly out to the district Friday, fly around the district Saturday, fly back to Washington Sunday and you end up working seven days a week."

So it's important to set priorities, Dorgan said, and to keep home separate from job. "One thing that's essential in public life is deciding what you can and cannot do," he said. "You could be out at a reception every night. If you're going to have any discipline at all you must set limits on what you can and cannot do.

"Or," he said with a smile, "on what you will and will not do."

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1985 66

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Grand Forks, N.D. 58201

Fargo Forum

Interviewing Dorgan at home a reasonable request

A quotation by Rep. Byron Dorgan in The Forum states in part, "I find that public life is difficult enough without making my private life public, too."

Maybe Dorgan feels that his recent third marriage to Kim Olson of Washington is a political liability, which he does not care to have aired by the press.

I do not think The Forum was making an unreasonable request when asking for an interview with Dorgan in his home. The function and duty of a newspaper is to keep the public informed.

Dr. H.C. Hawn
Fargo

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JUN 17 1985

N.D. NEWSPAPER
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Minot News

Anonymous Spouse?

Always adept at handling the media, Congressman Byron Dorgan has brushed aside most inquiries concerning his recent marriage. The press in North Dakota isn't particularly intrusive. Disclosure of non-eventful personal information, whether by public figures or private citizens, is generally a matter of personal choice.

But Dorgan apparently isn't satisfied with the status quo. Annoyed that even a few facts were reported, he is pushing for more than privacy: His new bride would not only be sheltered, but anonymous, as hidden as the wife of Yuri Andropov, whose existence wasn't confirmed until the Soviet leader's death.

Back here in North Dakota, that's a bit hard to swallow. Hardly a week goes by that The News doesn't turn down somebody's request to keep a marriage license out of the paper. It's a matter of public record.

And, to borrow one of Dorgan's favorite pejoratives, it would be "nonsense" to accept his basic premise: that there is no connection between a person's personal and work lives. It just isn't so, especially when you're an elected official.

—

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APCO ASSOCIATES FILE

APCO ASSOCIATES, a Washington, D.C. lobbying subsidiary of Arnold & Porter, a leading Washington law firm, has registered as a foreign agent under the U.S. Foreign Agents Registration Act of 1938, as amended.

The APCO ASSOCIATES registration file, available to the public, establishes that APCO ASSOCIATES is a registered foreign agent for the Canadian timber industry. The APCO ASSOCIATES file is available at:

Department of Justice
Foreign Agent Registration Unit
Library
Room 100
Federal Triangle Building
315 9th Street, N.W.
Washington, D.C.
(near corner of Pennsylvania Avenue).

The library is in Room 100 (on ground floor to the right as you walk into the lobby from the street) and is open from 10:00 a.m. to 4:00 p.m.

The APCO ASSOCIATES file is about ½" thick, making it one of the smaller files in the library. The Clerk on duty (usually one Mary Williams) will copy the file for 10¢ per page while you wait.

If the Clerk says the file is "out" and not available, persistence will usually produce it.

Arnold & Porter itself is also registered as a foreign agent for many foreign entities and has built up quite a large registration file.

FEDERAL ELECTION COMMISSION RECEIVED
88 JUL -8 PM 4:22

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Bert B. Rand	)	MUR 2251
Fritz H. Giesecke	)	
Peter Lind	)	
Marion E. Harrison		

SENSITIVE

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to the above-captioned respondents, based upon the assesment of information presently available.

Date 7/7/88

Lawrence M. Noble
General Counsel

Staff Person: Patty Reilly

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

September 29, 1988

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR # 2251

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Copies of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of no probable cause to believe were mailed on September 29, 1988. Following receipt of the respondents' replies to these notices, this Office will make a further report to the Commission.

Attachments
1-Briefs
2-Letters to respondents

Staff Person: Patty Reilly

8904073359

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 29, 1988

Marion E. Harrison, Esquire
1000 Potomac Street
Washington, D.C.

RE: MUR 2251
Marion E. Harrison

Dear Mr. Harrison:

Based on complaints filed with the Federal Election Commission on September 29, 1986, and October 6, 1986, and information supplied by you, the Commission, on February 27, 1987, found that there was reason to believe you violated 2 U.S.C. SS 433 and 434, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

R 9 0 4 0 7 3 2 3 6 0

Should you have any questions, please contact Patty Reilly, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

8904073236 1

STATE OF WASHINGTON DEPARTMENT OF SOCIAL AND HEALTH SERVICES
DIVISION OF HEALTH

THE WASHINGTON DEPARTMENT OF SOCIAL AND HEALTH SERVICES

504084003

VITAL RECORDS

CERTIFICATE OF MARRIAGE

T46-8 5 09254

STATE FILE NUMBER

COUNTY: SNOHOMISH 4/11/85

1 CERTIFY THAT PERSONS NAMED BELOW WERE MARRIED ON	1 DATE(MO DAY YR) April 13, 1985	3 COUNTY Snohomish	4 RELIGIOUS/CIVIL CEREMONY(SPECIFY) Religious	5 DATE SIGNED(MO DAY YR) April 13, 1985
6 OFFICIANT'S SIGNATURE X		7 OFFICIANT'S ADDRESS 215 Muklteo Blvd Everett, WA 98203		
8 NAME FIRST MIDDLE LAST Byron Leslie Dorgan			9 BIRTHDATE(MO DAY YR) 5-14-42	10 BIRTHSTATE(IF NOT USA GIVE COUNTRY) N.D. USA
11 USUAL RESIDENCE(NUMBER AND STREET) 225 E. C St. NE	12 CITY/TOWN/LOCATION Wash	13 INSIDE CITY LIMITS(YES/NO) DC ND	14 COUNTY	15 STATE DC
16 FATHER'S NAME Emmett Dorgan	17 BIRTHSTATE(IF NOT USA GIVE COUNTRY) Jan 3 1909	18 MOTHER'S MAIDEN NAME Dorothy Bach		19 BIRTHSTATE(IF NOT USA GIVE COUNTRY) Jan 21 1915
20 GROOM Signature X Byron L. Dorgan				21 DATE SIGNED(MO DAY YR) 4-13-85
22 NAME FIRST MIDDLE LAST Kimberly Sue Olson	23 MAIDEN NAME IF DIFFERENT		24 BIRTHDATE(MO DAY YR) 08/08/58	25 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA
26 USUAL RESIDENCE(NUMBER AND STREET) 321 C St NE	27 CITY/TOWN/LOCATION Wash	28 INSIDE CITY LIMITS(YES/NO) DC NO	29 COUNTY USA	30 STATE DC
31 FATHER'S NAME Herman S. Olson	32 BIRTHSTATE(IF NOT USA GIVE COUNTRY) OR	33 MOTHER'S MAIDEN NAME Anita J. Joergensen		34 BIRTHSTATE(IF NOT USA GIVE COUNTRY) WA
35 BRIDE Signature X Kimberly Olson				36 DATE SIGNED(MO DAY YR) 4-13-85
37 WITNESS Signature X Anita Mae Dorgan	38 WITNESS Signature X Darrell L. Day			
39 COUNTY AUDITOR Signature X Vaudene F. Nuba				40 DATE RECEIVED(MO DAY YR) APR 16 1985

DSHS 9-, FORMERLY 1-391

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CERTIFIED

Barbara Thorne Lewis

STATE REGISTRAR

OCT 11 1985

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CERTIFIED COPIES OF VITAL RECORDS MUST HAVE THE RAISED SEAL

Attachment B

12. During the 6 month reporting period, have you on behalf of any foreign principal engaged in political activity as defined below?

YES __X__ NO _____

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating among other things, the relations, interests, and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to date, places of delivery, names of speakers and subject matter.

Canadian Forest Industries Council

On behalf of the foreign principal, the Registrant had discussions regarding proposed restrictions on imports of lumber from Canada with Berta Bradford, Aide to Rep. Pickle, on September 10, 1985; with Jeff Crane, Aide to Rep. Crane, on September 10, 1985 and October 21, 1985; with Rep. Jenkins, US Congressman, on September 10, 1985; with Rep. Guarini, US Congressman, on September 10, 1985; with Mary Beth Riordan, Aide to Rep. McGrath, on September 10, 1985; with Steve Wallace, Aide to Sen. D'Amato, on September 24, 1985 and October 8, 1985; with Bob Guttman, Aide to Sen. Quayle, on October 3, 1985; with Bill Mattea, Aide to Sen. Dixon, on October 8, 1985; with Steve Nousen, Aide to Sen. Hatfield, on June 27, 1985 and September 27, 1985; with Brose McVay, Aide to Sen. Quayle, on October 3, 1985; with George Dalley, Aide to Rep. Rangel, on October 4, 1985; with Rachel Sotsky, Aide to Sen. Rudman, on October 4, 1985; with David Cox, Aide to Sen. Boren, on October 4, 1985; with Rep. Bevill, US Congressman, on October 8, 1985; with Rep. Bentley, US Congresswoman, on October 8, 1985; with Lisa Lerner, Aide to Sen. Dixon, on October 8, 1985; with Rep. Callahan, US Congressman, on October 8, 1985; with Mike House, Aide to Sen. Heflin, on October 9, 1985 and November 7, 1985; with Meg Hunt, Aide to Sen. Denton, on October 9, 1985; with George Krumbhaar, Aide to Sen. Glenn, on October 9, 1985; with Rep. Lott, US Congressman, on October 9, 1985; with Sen. Denton, US Senator, on October 9, 1985; with Rep. J. Lazerov, Aide

8904073235 3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Marion E. Harrison) MUR 2251

GENERAL COUNSEL'S BRIEF

STATEMENT OF THE CASE

On February 24, 1987, the Commission found reason to believe Marion E. Harrison, Bert B. Rand, Fritz H. Giesecke, and Peter W. Lind violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a political committee with the Federal Election Commission. An investigation has been conducted and, based upon this investigation, the Office of the General Counsel recommends that the Commission find no probable cause to believe Marion E. Harrison violated 2 U.S.C. §§ 433 and 434.

A. Activities Undertaken by the Respondents

This matter arose from complaints filed by Congressman Bryon Dorgan and Kent Conrad (MUR 2229) and by Senator Mark Andrews (MUR 2251). In relevant parts, the complaints alleged that the named respondents had formed a political committee with the intention of influencing the 1986 North Dakota House and Senate races.

The Commission's investigation revealed that Respondent Bert Rand received an inquiry in October, 1985, from Wendell Wyatt of the Washington state law firm of Schabe, Williamson, Wyatt, Moore and Roberts ("Schabe firm"). Mr. Wyatt enclosed a copy of the June 1985 Steve Forrester Northwest Newsletter, a publication of the timber industry, and requested if Mr. Rand could determine whether Kimberly Sue Olson, a lobbyist with the Arnold & Porter

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lobbying firm of APCO discussed in the newsletter, was married to Congressman Bryon Dorgan. Mr. Rand testified that Mr. Wyatt had extensive holdings and clients in the timber industry and was concerned that lobbyists for foreign governments (such as Ms. Olson) were undermining American interests in this area. Mr. Rand testified that he had previously provided professional courtesies for Mr. Wyatt and thus agreed to provide this information. Due to his workload he passed the newsletter to Mr. Giesecke in order to have Mr. Giesecke conduct inquiries. Mr. Giesecke testified that he shared office space with Mr. Rand's firm and agreed to make inquiries as a favor to Mr. Rand and Mr. Wyatt. Mr. Giesecke also testified that he has holdings in the timber industry, purchased as an investment for his retirement, and thus was greatly concerned regarding the status of the American timber industry.

In the course of conducting these inquiries, Mr. Rand contacted respondent Marion Harrison. Inconsistent testimony has been offered regarding what Mr. Rand requested of Mr. Harrison. Mr. Harrison testified that he understood that Mr. Rand wanted him to arrange for a background check of the Congressman. He defined this phrase to mean the hiring of someone who is "licensed and competent as an investigator, and you ask that entity or individual to run a background investigation." Harrison Deposition at 9. Mr. Rand and Mr. Giesecke testified that they did not request Mr. Harrison to hire a private investigator. Rather, they stated they intended Mr. Harrison to

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contact a lawyer in North Dakota and arrange for informal inquiries to be made regarding Congressman Dorgan, particularly regarding property settlements from the Congressman's prior marriages to determine whether any timber interests were implicated. 1/ Mr. Rand stated that he did not intend for a full scale investigation by a private investigator to be conducted, and was surprised when he found out that this occurred. Respondents agree that Mr. Harrison was not formally hired for any purpose, rather his actions were viewed as an accommodation to Mr. Rand. All respondents agree that after this initial discussion regarding the background check, Mr. Giesecke forwarded materials to Mr. Harrison for use in the inquiries to be conducted in North Dakota. 2/ The testimony of all respondents is consistent in that their articulated common concern was the timber industry.

Mr. Harrison testified that on the basis of the communications with these two respondents, he contacted a private investigator, W.T. Butcher, and arranged for a background investigation to be conducted. Mr. Harrison paid Mr. Butcher a $500 retainer, and also sent to him the materials provided by

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1/ This inconsistency is partially explained in that the private investigator hired by Mr. Harrison was also a member of the North Dakota Bar.

2/ These materials included the Dorgan/Olson marriage license obtained by Mr. Peter Lind in November 1985. An earlier marriage license of the Congressman was also provided.

Mr. Giesecke. Mr. Harrison testified that he didn't question Mr. Giesecke why documents from Congressman Dorgan's prior marriages were provided, rather he stated he considered it prudent to forward to Mr. Butcher all materials provided by Mr. Giesecke. Harrison Deposition at 20.

During the months of March and April, Mr. Harrison had no communications with Mr. Butcher, other than a telephone call made to check on the progress of the background check. In May 1986, Mr. Butcher provided Mr. Harrison with a report ("the Butcher Report") detailing the results of his investigation. Mr. Harrison stated that he read the report, but refused to testify as to the contents of the Butcher Report at his deposition. Harrison Deposition at 23-27. Mr. Harrison then passed the report onto Mr. Giesecke.

After submitting the Butcher Report, Mr. Harrison had minimal contact with Mr. Rand and Mr. Giesecke, although it was his impression that Mr. Rand was not particularly happy with the Butcher Report. Harrison Deposition at 29. All respondents recall a conversation where the report was discussed, Mr. Harrison states that it was his impression that Mr. Rand had further questions regarding an allegation raised in the Butcher Report and Mr. Harrison so notified Mr. Butcher. Mr. Giesecke stated that it was his understanding that further information was being prepared by the investigator and would be provided at a later date without the need for further contact with the investigator. Mr. Harrison stated he had no further contact with Mr. Butcher until news accounts regarding the investigation

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appeared. Harrison Deposition at 40-41. At that time he instructed Mr. Butcher to end the investigation.

Respondents have provided invoices as to the cost of the Butcher Report. Mr. Harrison submitted invoices to the Commission from Mr. Butcher totalling $1,782.76. A $500 retainer was also paid to Mr. Butcher by Mr. Harrison. These amounts were billed to Mr. Rand's firm under the name of the DeLong Corporation. Mr. Rand identified the DeLong Corporation as a former client that he referred to Mr. Harrison who was still billed through Mr. Rand's firm. Additionally, Mr. Harrison's former law firm passed on a later bill from Mr. Butcher of $941.50 to Mr. Rand's firm. Thus, the total cost of the Butcher Report appears to have been $3,224.26. Mr. Harrison did not bill any time for his communications with Mr. Rand, Mr. Giesecke, or Mr. Butcher. Harrison Deposition at 32. Mr. Harrison did not have any communications with Mr. Lind. Harrison Deposition at 24. Moreover, Mr. Harrison intended to be reimbursed by Mr. Rand for the costs he incurred regarding the Butcher Report. Harrison Deposition at 13.

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II. LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 431(4), a political committee is defined as any committee, club, association, or other group of persons which receives contributions aggregating in excess of $1,000 during a calendar year or which makes expenditures aggregating in excess of $1,000 during a calendar year. The Act defines contributions and expenditures as anything of value made

for the purpose of influencing a federal election. 2 U.S.C. § 431(8) and (9). Upon qualification as a political committee, entities are required to file a Statement of Organization with the Commission, as well as to meet the Act's reporting requirements. 2 U.S.C. §§ 433 and 434.

In the instant case, it does not appear that Mr. Harrison hired Mr. Butcher (and thus caused the generation of the Butcher Report) for the purpose of influencing a federal election. Rather, it appears that Mr. Harrison believed that he was providing a professional courtesy for a friend by contacting a private investigator for an investigation sought by that friend (although this was an apparent misunderstanding of Mr. Rand's request). Mr. Harrison apparently did not concern himself with the results of the investigation, rather it appears that he saw his role as an intermediary between the investigator and Mr. Rand and Mr. Giesecke. He did not participate in any of the discussions about the decision to hire a private investigator, nor was he concerned with a possible spousal conflict of interest. Mr. Harrison did not testify to having any political or financial interest in the timber industry. In short, Mr. Harrison's actions in this matter were not in conjunction with a group of individuals undertaking expenditures made for the purpose of influencing a federal election. Therefore, the Office

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of the General Counsel recommends that the Commission find no probable cause to believe Marion E. Harrison violated 2 U.S.C. SS 433 and 434.

RECOMMENDATION

Find no probable cause to believe Marion E. Harrison violated 2 U.S.C. SS 433 and 434.

Lawrence M. Noble
General Counsel

Date 9/29/81

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 29, 1988

J. Jonathan Schraub, Esquire
Golden, Freda & Schraub, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2251
Peter W. Lind

Dear Mr. Schraub:

Based on complaints filed with the Federal Election Commission on September 12, 1986, and October 6, 1986, and information supplied by your client, the Commission, on February 24, 1987, found that there was reason to believe your client violated 2 U.S.C. §§ 433 and 434, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Patty Reilly, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Peter W. Lind	)	MUR 2251
	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On February 24, 1987, the Commission found reason to believe Peter W. Lind, Marion E. Harrison, Fritz H. Giesecke and Bert B. Rand violated 2 U.S.C. §§ 433 and 434 by failing to register and report to the Commission as a political committee. Underlying the Commission's determination were two complaints alleging that these individuals had made expenditures against Congressman Bryon L. Dorgan for the purpose of influencing a federal election.1/

The complaints noted a number of activities said to have been conducted by this group of individuals. According to press accounts, a private investigator had been hired to run a background check on Congressman Dorgan. Additionally, a package of materials was mailed to newspapers in the summer of 1986. This package included: 1) articles on the timber industry; 2) excerpts from public disclosure statements filed by the lobbying firm employing Congressman Dorgan's spouse, Kimberly Sue Olson; (3) copies of press articles noting Congressman Dorgan's reluctance to discuss his personal life; 4) a copy of the Dorgan

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1/ This matter arose from a complaint filed by Congressman Byron L. Dorgan and Kent Conrad (MUR 2229) and from a complaint filed by Senator Mark Andrews (MUR 2251). The Commission merged these two complaints into MUR 2251.

and Olson marriage license and 5) instructions for retrieving information regarding foreign lobbyists at the Department of Justice. Responses received to the complaints identified Mr. Lind as the person obtaining the marriage license from Washington State.

In the course of the Commission's investigation, respondents Giesecke, Rand and Harrison denied that they had intended to influence a federal election. Rather, Mr. Rand and Mr. Giesecke stated that the purpose of their activities was to focus attention on the timber industry and the possibility that Ms. Olson had lobbied her husband on behalf of a foreign client. Additionally, Mr. Rand testified that the role of Mr. Lind was limited solely to obtaining the Washington state marriage license and that he did so as an accommodation to Mr. Rand. Additionally, Mr. Harrison's activities in this matter were restricted to communications between respondents Rand and Giesecke, and the private investigator. Thus, he had no contacts with Mr. Lind.

Mr. Lind's response in the matter stated that he had been requested by Mr. Rand to obtain a copy of the Dorgan/Olson marriage license, that he was not informed why Mr. Rand wanted this document and he did not inquire, and that he performed this task as a personal favor to Mr. Rand. Mr. Rand testified that he has a long-standing professional and social relationship with Mr. Lind and that the two have a past history of providing

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BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of)
)
Bert B. Rand) MUR 2251
Fritz H. Giesecke)

SENSITIVE

EXECUTIVE SESSION
OCT 12 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

A. Introduction

This matter arose from complaints filed by Representative Bryon L. Dorgan and Kent Conrad (MUR 2229) and Senator Mark Andrews (MUR 2251). On February 24, 1987, the Commission found reason to believe Peter W. Lind, Marion E. Harrison, Bert B. Rand, and Fritz H. Giesecke violated 2 U.S.C. §§ 433 and 434 by failing to register and report to the Commission as a political committee. Underlying the Commission's determination was information that these individuals may have made expenditures exceeding $1,000 for the purpose of influencing the 1986 North Dakota House and Senate races, but had not satisfied the Act's registration and reporting requirements. An investigation has been conducted, and based upon the evidence, the Office of the General Counsel recommends that the Commission take no further action as to the above-named respondents.

B. Activities Conducted by the Respondents

In late summer or early fall of 1985, respondent Bert Rand received a copy of "Steve Forrester's Northwest Letter" dated June 24, 1985 from Wendell Wyatt of the Washington State law firm of Schwabe, Williamson, Wyatt, Moore & Roberts. Page 4 of this publication noted that Kimberly Sue Olson, a lobbyist, was associated with APCO, a subsidiary of the Washington D.C. law firm of Arnold & Porter. Mr. Rand testified that Mr. Wyatt

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contacted him and asked him if Ms. Olson, who was lobbying before Congress on the timber industry, was married to North Dakota Congressman Byron L. Dorgan. Mr. Rand stated that Mr. Wyatt and he had a long professional and social association, and the two routinely provided professional courtesies for each other. Based upon this relationship, Mr. Rand agreed to ascertain this information.

Due to work demands, Mr. Rand passed this request to respondent Fritz H. Giesecke, a lawyer sharing office space with Mr. Rand's law firm, Trammel, Rand, Nathan & Lincoln. Mr. Giesecke testified that he responded to this request "anxiously and eagerly." Giesecke Deposition at 14. He stated that he wanted to accommodate Mr. Rand's request, as well as the request of Mr. Wyatt, with whom Mr. Giesecke also had a long association. Additionally, Mr. Giesecke testified that he was motivated by his personal interest in the timber industry. Mr. Giesecke cited his ties with the Oregon lumber industry, his past employment in a lumber products mill, a prior Oregon law practice on timber matters, and investments made in the timber industry for retirement purposes. Id. at 14-15. Mr. Giesecke testified at length regarding his opinions on the economic instability of the American timber industry during that period due to the purported dumping of Canadian timber on the American market. Id. at 15-16. Mr. Giesecke noted that he had previously discussed this situation with Mr. Wyatt. Mr. Giesecke further testified that "the North Dakota press probably spoke for

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professional courtesies for each other without charge.

II. **ANALYSIS**

The Act defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of $1,000 during a calendar year or which makes expenditures aggregating in excess of $1,000 during a calendar year. 2 U.S.C. § 431(4). Contributions and expenditures are defined as anything of value made with the purpose of influencing a federal election. 2 U.S.C. § 431(8)(A) and (9)(A). Pursuant to 2 U.S.C. § 434(a)(4), political committees that are not authorized committees of a candidate are required to report to the Commission on either a quarterly or monthly basis.

In the instant case, the Commission's investigation revealed that Mr. Lind had no contact with any of the other named respondents other than to obtain a marriage license at the request of Mr. Rand. Because Mr. Lind was unaware why Mr. Rand made this request, and without reaching the issue of whether the other respondents may have formed a political committee, the Office of the General Counsel recommends that the Commission find no probable cause to believe Peter M. Lind violated 2 U.S.C. §§ 433 and 434.

III. **RECOMMENDATION**

Find no probable cause to believe Peter W. Lind violated 2 U.S.C. §§ 433 and 434.

Lawrence M. Noble
General Counsel

Date 9/29/88

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me in the various editorials that appeared, that it is a bad idea to have a Congressman's wife being a lobbyist for a foreign country and its interests when her own husband is in Congress advocating the same issues about which she is lobbying." Giesecke Deposition at 71.

Mr. Giesecke testified that in an effort to determine whether Ms. Olson was actually married to the Congressman, it was agreed that the Olson/Dorgan marriage license should be obtained from Washington state. In October, 1985, Mr. Rand requested that respondent Peter Lind, a Washington state attorney, obtain this marriage license.1/ Mr. Rand had a long association with this respondent, and made this request as an "off-cuff" accommodation. Rand Deposition at 12-13. Mr. Lind then provided the marriage license, but did not bill Mr. Rand for either costs or time.

Mr. Rand made a second arrangement to obtain another marriage license of Congressman Dorgan from a previous marriage. Mr. Rand testified that he made this request at the behest of Mr. Giesecke who wanted "to do a thorough job and make sure this woman [Ms. Olson] really was married to this fellow Dorgan." Id. at 15.

In December, 1985, Mr. Giesecke made a business trip at the request of Mr. Rand on behalf of Trammel, Rand, Nathan & Lincoln. The planned itinerary included stops in Salt Lake City,

1/ Allegations regarding Mr. Lind and respondent Marion E. Harrison are discussed in separate briefs.

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Minneapolis, St. Paul and Portland, Oregon. Mr. Rand testified that Mr. Giesecke requested to stop in Bismarck, North Dakota. Id. at 22. Mr. Giesecke stated that he made this request because he would be in the general area and that

> ... Bismarck would be a short hop from Minneapolis where I would be anyway, and there would be no particular expense or extra time involved if I stopped off in Bismarck to visit the courthouse there to examine some of the public records that were available on the Congressman to see what I could find out about the Congressman's relationship with his wife and to determine whether there might be some information there in the records that would reflect on the Congressman's financial interests, possible timber interest, family ownership of lumber mills, the kind of thing you look for when you don't have anything else.
>
> And it was the only avenue I could think of at that point to pursue to find out more about what might be going on with this husband and wife team in my effort to be helpful to the Pacific Northwest law firm and the timber industry's interest there. Giesecke Deposition at 26-27.

Mr. Rand testified that he informed Mr. Giesecke that it made no difference to him whether Mr. Giesecke stopped in North Dakota, but that funds expended for this side trip would be charged back to Mr. Giesecke by the law firm. Rand Deposition at 22. 2/

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2/ It appears from the documents produced by the respondents that, Mr. Rand's statement notwithstanding, Mr. Giesecke was reimbursed for all funds he expended in Bismarck. These included $197.75 (hotel and meals) and airfare (approximately $231.48; representing the cost of the detour from Minneapolis and back, $115.74 per trip). Mr. Giesecke testified that to the best of his recollection he was reimbursed for this trip by Trammel, Rand. Giesecke Deposition at 33.

Mr. Giesecke arrived in Bismarck, North Dakota on December 3, 1985 and left on December 5, 1985. He visited the courthouse there with the stated intention of looking for information regarding Congressman Dorgan's possible ties to the timber industry. This search was not successful in that Mr. Giesecke did not obtain any documents from the courthouse. At the suggestion of an associate of Mr. Rand, Mr. Giesecke visited the North Dakota Republican State Party's offices to examine their newsclipping files. Mr. Giesecke copied from this file materials said to reflect on the Congressman's secrecy regarding his marriage to Ms. Olson. Mr. Giesecke testified that this was his only activity on this entire trip that related to Congressman Dorgan and Ms. Olson. Mr. Rand testified that Mr. Giesecke showed him these documents when he returned in December, 1985, and that he advised Mr. Giesecke to "...forget this business... there is no importance to it." Rand Deposition at 25.

In February, 1986, while on business involving foreign agent registration at the Department of Justice, Mr. Giesecke testified that he noticed a file entitled "Arnold and Porter" on a table in the library at the agent registration section. Mr. Giesecke checked out this file and examined it. He stated he found "extensive information" regarding Ms. Olson and her lobbying activities on behalf of the Canadian timber industry. Giesecke Deposition at 40. Mr. Giesecke testified that he was surprised at the extent of activity within the file, and considered it to be an "egregious, ethical violation on the part of

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[Ms. Olson]...." Id. He further stated that in order to further the request of Mr. Wyatt, and in light of his own financial interests in the timber industry, this information should be made available to this West Coast law firm and, thus, at a cost of approximately $3, he had the file copied.

Mr. Giesecke returned to his office with these materials and showed these to Mr. Rand in early March 1986.3/ Mr. Rand testified he discussed the Department of Justice filings with Mr. Giesecke. Rand Deposition at 17. The two decided that in light of the lobbying activities noted in these materials, further inquiries would be made in North Dakota.

In March, 1986, Mr. Rand contacted respondent Marion E. Harrison, a lawyer with contacts nationwide, in order to find an individual to make inquiries in North Dakota. There is unresolved conflicting testimony as to what Mr. Harrison was expected to do. Mr. Rand testified that Mr. Harrison was to help Mr. Giesecke make a contact in North Dakota to find out whether Congressman Dorgan had interests in the timber industry and to check on court records. Id. at 26-27. It was Mr. Giesecke's impression that a lawyer would be used to perform this task. Giesecke Deposition at 49. Mr. Harrison testified that he was contacted by these respondents with the express purpose of conducting a background investigation on the Congressman using "a licensed and competent investigator." Harrison Deposition at 9. Mr. Harrison indicated that he understood the timber industry to be a concern of Mr. Rand. Id. at 10.

3/ Mr. Rand was out of the country prior to this time.

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Based upon this conversation, Mr. Giesecke sent Mr. Harrison the two marriage licenses that had been previously obtained. Mr. Harrison contacted a private investigator in North Dakota, W.T. Butcher, and hired him to conduct a background investigation. Mr. Harrison provided Mr. Butcher with the materials furnished by Mr. Giesecke and also paid the investigator a $500 retainer. Mr. Harrison included this retainer fee in his monthly billing to Mr. Rand's firm.4/

In May, 1986, Mr. Butcher provided Mr. Harrison with a written summary of his findings ("the Butcher Report"). Mr. Harrison, in turn, passed the Butcher Report onto Mr. Giesecke. Both Mr. Rand and Giesecke testified that it was only at this point that they realized that Mr. Harrison had hired a private investigator. Giesecke Deposition at 54. Rand Deposition at 32. Mr. Rand testified that he had a brief conversation with Mr. Harrison in which he expressed his unhappiness regarding Mr. Harrison's request for a reimbursement of the $500 retainer paid to Mr. Butcher. Rand Deposition at 30.

It appears that Mr. Rand, Mr. Harrison, and Mr. Giesecke briefly conferred regarding the contents of the report and the fact that further information would be forthcoming regarding the Giesecke Deposition at 57 and 60. Mr. Harrison testified that this additional information was to be

4/ Mr. Rand testified that he had earlier referred a case to Mr. Harrison after Mr. Rand was called as a witness and could not continue as counsel. The billings for this client by Mr. Harrison were made through Trammel, Rand, Nathan & Lincoln. The Butcher Report billings were included on these invoices.

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provided at the request of Mr. Rand, however, Mr. Giesecke testified that he believed this information would be provided as part of the report. Giesecke Deposition at 61. All respondents agreed that the Butcher Report contained no information regarding the timber industry, an assertion verified by the Office of the General Counsel's review of this report.

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Mr. Harrison billed Trammel, Rand, Nathan & Lincoln $500 on April 2, 1986 and $1,782.76 on June 11, 1986 for the Butcher Report. Additionally, Mr. Harrison's former law firm forwarded to Trammel, Rand, Nathan & Lincoln a bill of $941.50 for services provided by Mr. Butcher. Thus, the total cost of this investigation was $3,224.26. Mr. Rand testified that he instructed his firm to pass on to him the costs of the Butcher Report, and he would absorb them personally. Rand Deposition at 34. In their response to the complaint in this matter, Mr. Rand and Mr. Giesecke stated that the Butcher Report was determined not to be useful for their purposes and shelved.

In April, 1986, Mr. Giesecke gathered materials ("the Timber Package") and mailed them to Mr. Wyatt. The Timber Package consisted of a two page cover memo and five exhibits. The exhibits included newspaper articles on the timber industry, the

APCO file from the Department of Justice, news clippings regarding the Congressman's alleged secrecy regarding his marriage, the Dorgan/Olson marriage license and instructions for obtaining foreign agent registration materials at the Department of Justice. The two page memc opened stating "One Democratic Congressman goes Deaver one better. He has his wife involved in lobbying before he leaves office." The memo noted the Dorgan/Olson marriage and asserted Ms. Olson was part of an organized lobby effort on behalf of the Canadian timber industry. The memo noted Olson's employment with APCO and contained information from the previously noted APCO file from the Department of Justice. It also referred to the damage done to the American timber industry by Canadian imports and noted ineffectual methods of dealing with this problem. The memo noted Congressman Dorgan's prior marriages and his alleged secrecy regarding his personal life. Biographical information regarding Congressman Dorgan and Ms. Olson was also included.

Mr. Giesecke testified that he wrote this cover memo and put together the Timber Package on his own initiative, and that he did so with the intention of passing it on to Mr. Wyatt's firm. Giesecke Deposition at 65. Mr. Giesecke stated he intended that the Timber Package would be used by the "Pacific Northwest Timber Industry, hopefully with the press, to help with their efforts on the Canadian dumping tarriff issue." Id. at 66. Mr. Giesecke stated that he included information on how to obtain the materials at the Department of Justice in order that journalists

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could confirm the information in the package. Id. at 66-67.

Mr. Giesecke testified that by June, 1986, it appeared that his efforts to focus press attention on this issue had failed. Giesecke Deposition at 69. Thus, Mr. Giesecke stated he indicated to Mr. Rand that the Timber Package should be sent to the newspapers, particularly since in May and June, 1986, the Canadian-American timber situation was receiving heightened federal attention. Id. at 68-69.5/ Mr. Rand testified that he did not oppose Mr. Giesecke's plans to send the Timber Package to newspapers, although he noted that he did warn Mr. Giesecke that this transmittal should not have any political effect. Mr. Giesecke testified to a vague recollection of this conversation. Giesecke Deposition at 74. News accounts attached to the complaint identified the Bismarck Tribune, the Fargo Forum, and the Washington Times as newspapers receiving the Timber Package. Additionally, according to news accounts quoting Congressman Dorgan, the New York Times and the Washington Post were also sent copies of the Timber Package. See MUR 2229 Complaint at attachments. Newspaper coverage of the events discussed herein ensued.

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II. ANALYSIS

The Act defines a political committee as any committee, club, association or other group of persons which receives contributions aggregating in excess of $1,000 during a calendar year, or which makes expenditures aggregating in excess of $1,000

5/ See Timber Package at Exhibit #1.

during a calender year. 2 U.S.C. § 431(4). An expenditure is defined to include anything of value made by any person for the purpose of influencing a federal election. 2 U.S.C. § 431(9)(A). Entities qualifying as political committees are required to file a Statement of Organization within ten days of qualification, 2 U.S.C. § 433, and to file regular reports with the Commission. 2 U.S.C. § 434. Thus, Mr. Rand and Mr. Giesecke were required to register and report to the Commission provided they can be considered to be a group, they expended more than $1,000 in a calendar year and their actions were undertaken for the purpose of influencing a federal election.

Mr. Rand and Mr. Giesecke undertook a number of actions, either jointly, or with the consent of the other. These include obtaining the two marriage licenses, the trip to Bismarck, North Dakota, discussing the material discovered at the Department of Justice, determining to ask Mr. Harrison to arrange to make further inquiries in North Dakota, discussing the results of the Butcher Report, and the mailing of the Timber Package. These actions were conducted with sufficient joint participation that the respondents were a "group" for purposes of the Act.

The $1,000 threshold in section 433 of the Act was also met. As previously noted, the cost of the Butcher Report was $3,224.26. This amount was incurred in 1986. Mr. Rand paid for the costs of the Butcher Report. Other incidental expenses presumably were incurred in that year, such as copying costs at

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the Department of Justice and copying and postage charges for the Timber Package. Thus, the statutory minimum has been met for 1986. 6/

In the opinion of this Office, there is conflicting evidence as to whether the activity in question was undertaken for the purpose of influencing a federal election. For example, although respondents testified that their interest was in the timber industry and not the upcoming election, the fact is that obtaining personal information regarding Congressman Dorgan was a major part of this activity. Additionally, the election related aspects of this matter are emphasized by Mr. Giesecke's use of materials on file at the North Dakota Republican Party headquarters. Moreover, as previously noted,

Similarly, Mr. Giesecke mailed the Timber Package into North Dakota based on a belief that the press there would be interested in these materials because of the secrecy Congressman Dorgan was allegedly maintaining regarding his marriage. See, Giesecke Deposition at 69. Additionally, the Timber Package was mailed into North Dakota in close proximity to the June 10, 1986 primary election. These factors, taken with the admission that Mr. Giesecke believed Congressman Dorgan was deliberately hiding the fact that his spouse was a lobbyist, (See, Giesecke Deposition at 27)

6/ The estimated costs of Mr. Giesecke's trip (approximately $429.23) are not included in this calculation because they were incurred in a prior calendar year.

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are evidence that the respondents' real focus was to publicize allegations regarding Congressman Dorgan's personal life to influence the election of Congressman Dorgan.

Juxtaposed against these factors is other evidence supporting the conclusion that respondents undertook the previously noted actions as a result of Mr. Giesecke's desire to influence the lobbying efforts regarding the effect of Canadian lumber on the Pacific Northwest timber industry and without an intent to influence a federal election. A number of factors support this conclusion.

First, the sworn testimony of Messrs. Rand, Giesecke, and Harrison is uniform that these actions were directed to the lobbying efforts regarding the timber industry. These sworn statements are supported by Mr. Rand's and Mr. Giesecke's ties to the Pacific Northwest timber industry, including their former law practices relating to timber interests. Additionally, Mr. Giesecke's financial interest in the timber industry bolsters their assertions.

The context of these actions also supports the conclusion that they were not election-related. Mr. Rand and Mr. Giesecke began to conduct inquiries into the relationship of Ms. Olson and Congressman Dorgan in October 1985. At that time Congressman Dorgan was viewed as a likely challenger to Senator Mark Andrews. Respondents continued their efforts even when Congressman Dorgan decided to run for a House seat, and not a Senate seat, in December 1985. The House seat was considered to be a "safe"

information was not appearing elsewhere despite his efforts, and he hoped that after being printed in North Dakota, other newspapers would pick up the story. This statement is supported by the explicit directions to the foreign agent registration section of the Department of Justice contained in the Timber Package which Mr. Giesecke stated were placed there to aid newsmen.

In sum, this matter presents conflicting evidence regarding the purposes for which the respondents undertook the activity described above. Also to be considered, however, is the fact that the total amount of money involved in this matter was probably in the area of $3,500 to $4,500. Of this amount, $3,224.26 was for the Butcher Report which was never used, and over which there is conflicting testimony as to whether it was authorized by Mr. Rand or Mr. Gisecke.

Given all these considerations and the fact that further investigation will not lead to any additional probative evidence, the Office of the General Counsel recommends the Commission take no further action in this matter with respect to these respondents and close the file as to them.

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III. RECOMMENDATIONS

1. Take no further action as to Fritz H. Giesecke and Bert B. Rand and close the file as to them.

2. Approve the attached letter.

9/29/88
Date

Lawrence M. Noble
General Counsel

Attachments
1. Proposed Letter

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: OCTOBER 3, 1988

SUBJECT: COMMENTS TO MUR 2251 - General Counsel's Report Signed Sept. 29, 1988

Attached is a copy of Commissioner Elliott's vote sheet with comments regarding the above-captioned matter.

Attachment:
copy of vote sheet

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN
COMMISSION SECRETARY

DATE: OCTOBER 4, 1988

SUBJECT: OBJECTION TO MUR 2251 - General Counsel's Report
Signed September 29, 1988

The above-captioned document was circulated to the Commission on Friday, September 30, 1988 at 12:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	X
Commissioner Elliott	
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the meeting agenda for October 12, 1988.

Please notify us who will represent your Division before the Commission on this matter.

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seat, while the Senate race was heavily contested. Had the two been interested in focussing on Congressman Dorgan's Senatorial challenge, it could be argued that they would have terminated their activities when Congressman Dorgan determined to try to retain his House seat. Moreover, it was after Congressman Dorgan's decision not to seek a Senate seat that most of respondents' activities described above occurred. More importantly, these activities occurred at the time that the American timber industry was in a near-crisis situation from the effect of Canadian imports.

Another factor concerns the selection of the newspapers to which the Timber Package was mailed. As previously noted, because Mr. Giesecke sent the Timber Package to North Dakota newspapers, the inference is raised that he sought to expose the alleged spousal conflict of interest of Congressman Dorgan and Kimberly Sue Olson, and thus intended to influence a federal election. On the other hand, the position that Mr. Giesecke's actions were intended to draw attention to the timber industry and not to Congressman Dorgan's re-election is supported by the fact that the Timber Package was also mailed to newspapers outside North Dakota. Moreover, Mr. Giesecke has argued that had he intended to influence a federal election he would have mailed the Timber Package in closer proximity to the November election rather than in May and June of 1986. 7/ Additionally, he indicated he mailed materials to North Dakota because the

7/ Although the Timber Package was mailed in proximity to the June primary, Congressman Dorgan was without serious opposition in that election.

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BALLOT

SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: Friday, September 30, 1988 12:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIAK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY Tuesday, October 4, 1988 12:00

SUBJECT: MUR 2251 - General Counsel's Report
Signed September 29, 1988.

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
88 OCT -3 PM 3:11

(X) I approve the recommendation

( ) I object to the recommendation

COMMENTS: but not on the analysis put forward.

DATE: 10-3-88 SIGNATURE Leeann Elliott

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.

PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.

PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.

8904073233 93

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Bert B. Rand) MUR 2251
Fritz H. Giesecke)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 12, 1988, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2251:

1. Take no further action as to Fritz H. Giesecke and Bert B. Rand and close the file as to them.

2. Approve the letter attached to the General Counsel's report dated September 29, 1988.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

Oct. 12, 1988
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

October 18, 1988

J. Jonathan Schraub, Esquire
Golden, Freda & Schraub, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2251
Bert B. Rand
Fritz H. Giesecke

Dear Mr. Schraub:

On February 24, 1987, your clients were notified that the Federal Election Commission found reason to believe that they violated 2 U.S.C. §§ 433 and 434.

After considering the circumstances of the matter, the Commission determined on October 12, 1988 , to take no further action against Mr. Rand and Mr. Giesecke, and closed the file as it pertains to them. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that making over $1,000 in expenditures for the purpose of influencing a federal election without registering and reporting with the Commission appears to be a violation of 2 U.S.C. §§ 433 and 434. Your clients should take immediate steps to insure that this activity does not occur in the future.

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If you have any questions, please contact Patty Reilly, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
88 NOV 17 AM 11:04

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Marion E. Harrison	)	MUR 2251
Peter W. Lind	)	

SENSITIVE
EXECUTIVE SESSION
DEC 01 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter arose from complaints filed by Representative Bryon L. Dorgan and Kent Conrad (MUR 2229) and Senator Mark Andrews (MUR 2251). On February 24, 1987, the Commission found reason to believe Peter W. Lind, Marion E. Harrison, Bert B. Rand, and Fritz H. Giesecke violated 2 U.S.C. §§ 433 and 434 by failing to register and report to the Commission as a political committee. Underlying the Commission's determination was information that these individuals may have made expenditures exceeding $1,000 for the purpose of influencing the 1986 North Dakota House and Senate races, but had not satisfied the Act's registration and reporting requirements. An investigation has been conducted, and based upon the evidence, the Office of the General Counsel recommends that the Commission find no probable cause to believe respondents Peter Lind and Marion Harrison violated 2 U.S.C. §§ 433 and 434.*/

II. ANALYSIS

The General Counsel's analysis is contained in each respondent's brief dated September 29, 1988. Essentially, the briefs take the position that the activities of Mr. Lind and

*/ On October 12, 1988, the Commission determined to take no further action as to respondents Bert B. Rand and Fritz H. Giesecke and closed the file as to them.

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Mr. Harrison were sufficiently divorced from the activities conducted by the other respondents that they were not part of the "group of persons" meeting the threshold of Act's definition of a political committee. See 2 U.S.C. § 431(4). Neither respondent filed a brief responding to the General Counsel's recommendation.

II. RECOMMENDATIONS

1. Find no probable cause to believe Marion E. Harrison violated 2 U.S.C. §§ 433 and 434.
2. Find no probable cause to believe Peter W. Lind violated 2 U.S.C. §§ 433 and 434.
3. Approve the attached letters.
4. Close the file in this matter.

11/16/88
Date

Lawrence M. Noble
General Counsel

Attachments
1. Proposed letters (8)

STAFF PERSON: Patty Reilly

UDA
4-0 SET TOO

8904073239 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Marion E. Harrison) MUR 2251
Peter W. Lind)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of November 30, 1988, do hereby certify that the Commission decided by a vote of 4-0 to take the following actions in MUR 2251:

1. Find no probable cause to believe Marion E. Harrison violated 2 U.S.C. §§ 433 and 434.

2. Find no probable cause to believe Peter W. Lind violated 2 U.S.C. §§ 433 and 434.

3. Approve the letters attached to the General Counsel's report dated November 16, 1988.

4. Close the file in this matter.

Commissioners Aikens, Elliott, McDonald, and McGarry voted affirmatively for the decision; Commissioners Josefiak and McDonald were not present at the time of the vote.

Attest:

12-1-88
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

December 12, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Honorable Bryon Dorgan
Kent Conrad
United States House of Representatives
Washington, D.C. 20515

RE: MURs 2229 and 2251

Dear Representative Dorgan and Mr. Conrad:

This is in reference to the complaint you filed with the Federal Election Commission on October 28, 1986, concerning Bert B. Rand, Marion E. Harrison, Peter Lind, W. T. Butcher & Associates, Ltd., the North Dakota Republican Party and People for Mark Andrews.

Based on your complaint, and a complaint filed by Senator Mark Andrews (MUR 2251), on February 24, 1987, the Commission found that there was reason to believe Bert B. Rand, Marion E. Harrison, Peter W. Lind, and Fritz H. Giesecke violated 2 U.S.C. §§ 433 and 434. Also, on that date the Commission determined that there was no reason to believe W. T. Butcher & Associates, Ltd. violated 2 U.S.C. § 441b. The Commission further determined on that date that there was no reason to believe the North Dakota Republican State Party violated 2 U.S.C. §§ 434 and 441a(d) and that there was no reason to believe People for Mark Andrews violated 2 U.S.C. § 434. The Commission also closed the file as to those respondents against whom no reason to believe determinations were made.

After an investigation was conducted in this matter, on September 29, 1988, the Commission determined to take no further action as to Mr. Rand and Mr. Giesecke. Additionally, after considering the General Counsel's briefs the Commission, on November 30, 1988, found that there was no probable cause to believe that Mr. Lind and Mr. Harrison violated 2 U.S.C. §§ 433 and 434. Accordingly, the file in this matter was closed on November 30, 1988.

This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
General Counsel's Reports (3)

8904073241

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 12, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Senator Mark Andrews
724 Hart Senate Office Building
Washington, D.C. 20510

RE: MURs 2251 and 2229

Dear Senator Andrews:

This is in reference to the complaint you filed with the Federal Election Commission on September 23, 1986, concerning Bert B. Rand, Marion E. Harrison and W. T. Butcher & Associates, Ltd.

Based on your complaint, and a complaint filed by Representative Bryon Dorgan and Kent Conrad (MUR 2229), on February 24, 1987, the Commission found that there was reason to believe Bert B. Rand, Marion E. Harrison, Peter W. Lind, and Fritz H. Giesecke violated 2 U.S.C. §§ 433 and 434. Also, on that date the Commission determined that there was no reason to believe W. T. Butcher & Associates, Ltd. violated 2 U.S.C. § 441b. The Commission further determined on that date that there was no reason to believe the North Dakota Republican State Party violated 2 U.S.C. §§ 434 and 441a(d) and that there was no reason to believe People for Mark Andrews violated 2 U.S.C. § 434. The Commission also closed the file as to those respondents against whom no reason to believe determinations were made.

After an investigation was conducted in this matter, on September 29, 1988, the Commission determined to take no further action as to Mr. Rand and Mr. Giesecke. Additionally, after considering the General Counsel's briefs the Commission, on November 30, 1988, found that there was no probable cause to believe that Mr. Lind and Mr. Harrison violated 2 U.S.C. §§ 433 and 434. Accordingly, the file in this matter was closed on November 30, 1988.

This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

LM Noble (PR)

Lawrence M. Noble
General Counsel

Enclosure
General Counsel's Reports (3)

89040732403

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 12, 1988

J. Jonathan Schraub, Esquire
Golden, Freda & Schraub, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2251
Peter Lind

Dear Mr. Schraub:

This is to advise you that on November 30, 1988, the Federal Election Commission found that there is no probable cause to believe your client, Peter Lind, violated 2 U.S.C. §§ 433 and 434. Accordingly, the file in this matter has been closed.

This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

If you have any quetions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

LMNoble (PR)

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 12, 1988

J. Jonathan Schraub, Esquire
Golden, Freda & Schraub, P.C.
Suite 300
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2251
Bert B. Rand
Fritz H. Giesecke

Dear Mr. Schraub:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

LM Noble (PR)

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION

December 12, 1988

Robert C. Rust, Treasurer
People for Mark Andrews Committee
P. O. Box 1773
Fargo, N.D. 58107

RE: MUR 2229 and 2251
People for Mark Andrews Committee and Robert C. Rust, as treasurer

Dear Mr. Rust:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

cc: Senator Mark Andrews

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

December 12, 1988

Marion E. Harrison, Esquire
1000 Potomac Street, N.W.
Washington, D.C. 20007

RE: MUR 2251
Marion E. Harrison

Dear Mr. Harrison:

This is to advise you that on November 30, 1988, the Federal Election Commission found that there is no probable cause to believe you violated 2 U.S.C. §§ 433 and 434. Accordingly, the file in this matter has been closed.

This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

If you have any quetions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 12, 1988

W. T. Butcher & Associates, Ltd.
1424 W. Century Avenue
Suite 106
Bismarck, N.D. 58501

RE: MURs 2229 and 2251
W. T. Butcher & Associates, Ltd.

Dear Mr. Butcher:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 12, 1988

Layton W. Freborg
North Dakota Republican Party
P.O. Box 1917
Bismarck, N.D. 58502

RE: MURs 2229 and 2251

Dear Mr. Freborg:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2229/2251

DATE FILMED 4/25/89 CAMERA NO. 3

CAMERAMAN AS

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