

Bill to weaken campaign reports vetoed

By Lori Berger
State capital bureau

JEFFERSON CITY — Gov. Christopher S. Bond Tuesday vetoed a bill that would have pulled the teeth out of the state's one-year-old campaign disclosure law.

"The bill attempts to exempt most candidates for public office in Missouri from the economic disclosure provisions of the new campaign disclosure law and to weaken the required disclosure that must be made by those candidates that would not be exempt from reporting," Bond said in

his veto message

The proposed exemption would have allowed several candidates for the General Assembly, as well as candidates for offices in local government, to be exempt from economic disclosure provisions of the law.

"A legislative candidate spending less than \$500 on an election could completely avoid meaningful economic disclosure even though that candidate would be as subject to conflicts of interests as would a candidate for the General Assembly who spends more than \$500 in the election," Bond said

Legislators who were active in getting an initiative petition on the ballot in 1974 to adopt Missouri's Campaign Practices Act had urged Bond to veto the bill

"The people of Missouri intended that candidates for public office, and especially legislative candidates, disclose before each election those matters which might lead to a conflict of interest, or appearance of conflict of interest, and hidden campaign contributions. The bill fails to provide for such disclosure," Bond said

The author of the bill, Sen Al Spradling, D-Cape Girardeau, said, "It's a tragic veto. This will keep a lot of

good people from running for public office"

He said it was beyond his understanding why a candidate with expenditures and receipts under \$500 "should be subjected to this kind of harassment

"I see no hope of the bill passing unless there is a change of governor," Spradling said

The Missouri Elections Commission said the bill would remove the necessity for reporting all candidates' gifts and salaries and investments of minor children of candidates. It said the measure would limit reporting of investment ownership of 10 per cent of

any interests having a value of \$10,000 or more and the listing of sources of income from any source that exceeds \$5,000

Present law requires the reporting of all gifts as well as salaries and investments of minor children. The law requires disclosure of investments having a value of \$1,000 or more and the listing of sources of income exceeding \$100 or \$500, depending on the type of business

Secretary of State James Kirkpatrick said economic disclosure requirements have discouraged "public-spirited men and women from seeking local offices for which they receive little or nothing,

except the pride of good public service "Lifting the prying eyes of government from the personal and family finances of a candidate who spends less than \$500 on his campaign would have made it easier to find qualified candidates for next spring's city council, school board and special district elections," Kirkpatrick said

In the day's other major action, Bond approved the creation of a Missouri Tax Structure Study Commission to examine the state's entire tax system to determine its equitability

The commission will also be set up to study assessment methods for levying (See COMMISSION, Page 13A)

Columbia Missourian

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Gay Lib to appeal court's denial

By Debbie Buell
Missourian staff writer

A federal court decision Tuesday upholding the University's refusal to grant recognition to the Gay Liberation Front as a student organization will be appealed, said Larry Eggleston, president of the group

The decision is a major setback to the Gay Liberation Front's five-year struggle to obtain University recognition. As a campus group, the organization would have the right to hold meetings on University property and receive funds from student activity fees.

"I haven't talked to our lawyer yet," Eggleston said, "but I'm quite sure it will be appealed. I'm surprised because it's not in line with the precedent set in other federal courts. It does fall in line, however, with precedents in Missouri."

Judge Elmo B. Hunter of U.S. District Court found that the University did not violate the First and 12th amendments when it denied the group recognition

In a 39-page opinion, Hunter said, "Certainly it is the law that the University, acting here as an instrumentality of the state, has no right to restrict speech or association simply because it finds the views expressed to be abhorrent

"However, the First Amendment does not require that the University sanction and permit the free association of individuals as a student campus organization, where, as the court now finds from the evidence, that association is likely to incite, promote and result in acts contrary to and in violation of the sodomy statute of the State of Missouri."

Eggleston called the rationale behind

the decision "totally wrong. That is not the purpose of Gay Lib. These same laws would probably criminalize half the people in the state. But they're only applied to punitive action against the gay population."

James Banning, vice chancellor of student affairs, said the decision would not exclude homosexual students from receiving normal student services as individuals

"My position has always been to provide student services and those services will still be provided. The students in Gay Lib will have the same access to those services. The court ruled on it as regarding a student organization, not as individuals."

Gay Lib petitioned the Missouri Students Association for recognition in February 1971. MSA approved the petition, as did the student senate and other campus organizations. But Edwin

Hutchins, then dean of students, rejected it in February 1972

Gay Lib took its appeal through other University channels, but the board of curators rejected its petition Nov. 16, 1973

MSA President Paul Spencer said he was surprised at the decision. "I'm very disappointed and we will support the appeal all the way."

Eggleston said, "It's ironic when public acceptance and understanding is growing greater that the courts are backing off. Recognition is not implied acceptance of the goals of the organization. For example, the recognition of the Campus Crusade for Christ does not imply the University is violating the separation between church and state. The same standards should be applied to the recognition of Gay Lib."

Conflict-of-interest

Consultant fined in St. Louis

Harvey Shell, a Columbia consulting engineer and former director of the Missouri Air Conservation Commission, was convicted Tuesday of violating the state's conflict-of-interest law.

Shell was fined \$50 in St. Louis County Magistrate Court. He said he will appeal the conviction.

Shell was charged Jan. 6 with violating the state law which prohibits any former state official from representing a client before the

official's former agency for at least two years.

City records show Shell represented Columbia before the conservation commission less than five months after he resigned as director of the commission's staff.

Shell said at the time he was accused that he had been advised by his Columbia lawyer, Herb Willbrand, that he could represent parties before the commission except in court cases.

St. Louis County Asst. Prosecuting

Atty. Patrick Clifford said Shell had clearly violated the law. City Manager Terry Novak, Finance Director Mike Scanlan, Water and Light Director J. H. Lundsted and former City Counselor Bob Roper were among the 15 prosecution witnesses.

Scanlan said he presented city records that showed Shell worked for the city from Oct. 6 to Dec. 18, 1975.

In January 1975, as a state official, Shell has cited the city for an air pollution violation at its power plant.

The city received a variance in July 1975 to give it time to install anti-pollution equipment.

Shell resigned his position with the Air Conservation Commission shortly before the variance was granted and returned to Columbia to form his own consulting firm.

In November 1975, Shell represented the city before his old commission to request that the variance be voided. The jury said this meeting violated the state's conflict-of-interest law.



Big foot

Jenny Funk gives Derrick Bradley, both of Centralia, a helping hand to beat the monstrous heat on Sunday afternoon at Lake San-Lynn near Centralia. (Missourian photo by John Harrington)

Insight Senate bill would allow wiretapping

Spying issue splits ACLU and Kennedy

By Vernon A. Guidry Jr.
Washington Star

WASHINGTON — A panel of the new Senate Intelligence Committee opens hearings Tuesday on a controversial wiretap bill that has placed the American Civil Liberties Union in sharp opposition to one of the Senate's most liberal members, Edward M. Kennedy, D-Mass.

That lineup is causing discomfort on both sides as the dispute shifts to the Intelligence Committee, which, for the first time in its short existence, is exercising the power of joint jurisdiction over intelligence-related matters with other Senate panels.

The wiretapping legislation, with Kennedy as the leader of a bipartisan group of supporters, already has received lopsided approval from the Senate Judiciary Committee, where similar — if tougher — legislation had been buried in the past.

The bill would permit tapping not only of suspected foreign agents, but also of U.S. citizens suspected of aiding someone involved in secretly gathering information for a foreign power.

While warrants are required for wiretapping in criminal cases, there is no law governing domestic taps for "national security" purposes, nor have the federal courts ruled decisively on the issue. Such taps have been undertaken in the past without any warrant or judicial supervision, although the administration says no such taps currently are in place.

The intelligence panel's subcommittee on the rights of Americans, which is holding the hearings, is headed by Sen. Birch Bayh, (See APPROVAL, Page 13A)

Korshak moves in high business circles

By Seymour N. Hersh
N.Y. Times Service

NEW YORK — In October 1973, three of the most prosperous businessmen in America, each the chief executive of a major public corporation, concluded a complex real estate and film-leasing transaction.

The participants were Charles G. Bluhdorn of Gulf & Western Industries Inc., a conglomerate with more than \$3 billion in assets, Lew R. Wasserman of MCA Inc., the entertainment conglomerate, who is widely considered to be the most competent executive in Hollywood, and Kirk Kerkorian of Metro-Goldwyn-Mayer Inc., a financier whose personal fortune is estimated at more than \$200 million.

The mediator in the negotiations was Sidney R. Korshak, a lawyer and labor consultant who, according to federal documents, has been involved with organized crime since his graduation from law school in 1930.

The three executives — who say they are unaware of Korshak's underworld ties — were pleased with his work. The deal could not have gone through without him, they said later. His bill was for \$250,000.

That transaction shows how far Sidney Korshak has come since he

Sidney Korshak is a successful labor lawyer, a multi-millionaire with immense influence and connections and a friend of top Hollywood stars and executives. But he is also the most important link between organized crime and legitimate business in the nation, according to federal and state law enforcement officials. This is another in a series of articles on the double life led by Korshak.

began his career defending members of the Capone mob in Chicago. His underworld connections led to influence in the labor movement, and his ability to manipulate some union leaders made him a valued adviser to businessmen threatened by strikes or expensive labor settlements.

In recent years, Korshak has built upon his reputation as an astute adviser to business. The man once described in a Federal Bureau of Investigation document as a "hoodlum attorney" has been invited into the board rooms of some of the nation's largest corporations to participate in their most sensitive decisions.

During a six-month investigation into his affairs, The New York Times has learned that one of the basic elements in Korshak's success has been his ability to shield his organized crime connections from many of his

legitimate clients and friends, his ability to maintain a double life.

Korshak has said that he represents more than 100 clients, including dozens of large corporations, and serves as adviser and personal attorney for many Hollywood executives and stars.

To the three businessmen trying to negotiate the 1973 transaction, Korshak was indispensable.

At issue was the sale of MGM's overseas theaters and real estate, as well as the lease of foreign rights to its library of films and television shows. The purchaser, who paid \$17.2 million for the real estate and will eventually pay an estimated \$75 million for film rights, was Cinema International Corporation, a joint venture of Gulf & Western and MCA.

"Mr. Korshak was very close to Wasserman and Kerkorian and played a key role as a go-between," Bluhdorn

Court takes grand jury's advice

By Dave Sedgwick
Missourian staff writer

The Boone County Court, in one of its longest — but not one of its most exciting — meetings, Tuesday began acting as the grand jury said a county court should.

For the first time, the court tape recorded its session, which, for the first time, was guided by an agenda. For the first time, also, the court provided a calendar of upcoming events.

Southern District Judge Carolyn Lathrop, who pushed for the changes after the grand jury called for them, said the three-hour meeting "was a good sign" of the court's attempt to

carry out the grand jury's recommendations.

In the day's business, Sheriff Jack Meyer asked the judges to consider a joint city-county purchase of cars for the police and sheriff's departments. Meyer said the court should buy a car for each deputy, if possible, amounting to a purchase of 13 cars for a total of \$52,000.

Meyer also said the sheriff's department probably will run out of mileage money for its deputies within the year.

Presiding Judge Bob Brown refused to purchase cars for the sheriff's department last year, and temporarily withheld mileage payments because

the deputies' mileage vouchers were incomplete. The grand jury report strongly recommended purchase of the cars.

Meyer said a minimum of nine cars is needed, but added that a 13-car purchase would extend the "life-span" of the cars as much as a year.

The court also received its first report from road and bridge supervisor Elmo Winterhalter on the department's expenditures and budget, another grand jury recommendation.

In other action, the court, —Directed Meyer to provide food prepared by the county jail's cook for prisoners in the city jail, to be paid for partly by the city.

—Told Winterhalter to spend \$24,000 from the road and bridge budget to buy gravel and seal-coat for county roads.

—Agreed to pay Palmer and Ellis Realty and Insurance Co., Centralia, \$2,500 to cover county insurance needs for June and July.

—Tentatively approved the purchase of a \$1,200 emergency generator to replace the civil defense department's disabled generator.

—Delayed a decision on the purchase of new county gas tanks and security fences for county garages.

—Signed a court order placing the proposal for a five-cent tax increase for construction of a home for disabled adults on the August primary ballot.

the disclosure rules of various state and federal regulatory agencies.

But he often plays a far more significant role in publicly owned corporations than that of a labor lawyer or consultant. He has been involved in the hiring and firing of executives, the securing of financing, the selling of real estate and other assets, the selection of directors and the arranging of mergers.

Many of these activities came together in a 1969 corporate takeover in which Korshak played a major decision-making role. Before the transaction was concluded, the Securities and Exchange Commission, in what a senior official called one of its most important cases to date, had accused him and other investors of stock manipulation and fraud.

The company in question was Parvint-Dohrmann of Beverly Hills, Calif., one of the hottest conglomerates during the 'go-go years' of the late 1960s.

The company's chairman was Delbert W. Coleman, a Chicago multimillionaire who was a close friend and a client of Korshak. In 1968, Coleman purchased 300,000 shares of Parvint-Dohrmann stock for \$35 a share. Within months, the stock increased in value more than 400 per cent.

The SEC charges in a subsequent (See KORSHAK, Page 13A)

Meyer told the court the county would have to decide whether to make the joint purchase by October, when the city would let bids for the purchase of a fleet of cars to replace police department vehicles.

Brown said the court will decide during its budget deliberations in the fall.

The grand jury had criticized the sheriff's department for feeding county prisoners in the city jail with food bought at restaurants. Meyer said the city was willing to pay the county \$150 daily for each city prisoner if the county fed city prisoners as well. The County Court approved Meyer's suggestion on a 90-day trial basis.