

The Washington Merry-Go-Round

Business Interprets Legislation

Editor's Note—This is the second of Drew Pearson's series on the lobbyists who pull the wires backstage in Congress.

One of the cleverest lobbies in Washington is the American Enterprise Association, financed by big business, which puts a nutshell analysis of all legislation on the desks of about 400 Congressmen every morning. Obviously, there is no better way to influence legislation than by interpreting legislation to a harassed Congressman who doesn't have the time to study every bill for himself.



PEARSON

This lobby is supported by Robert Lund, past president of the National Association of Manufacturers, and by officials of Johns-Manville, Chemical Bank and Trust, Guaranty Trust, American Steel Foundries, Inland Steel, Chrysler, Bristol-Myers, Brown and Sharpe, United Carr Fastener, and others. It also has the support of some Congressmen, including "Goober Gene" Cox of Georgia, who claims credit for selling the idea to his Mercer University classmate, Eugene Stetson, head of the Guaranty Trust Co.

"It was all my idea," says the Georgia Congressman, who is one of the most reactionary members of the House.

Others who helped inspire the association were Lew Brown, head of Johns-Manville, Baxter Jackson of Chemical Bank and Trust; Congressmen Dan Reed of New York, Roy Woodruff of Michigan; and the late J. Frederick Richardson, the first manager of the Washington office.

Lobby Moves to Capitol

After the Republicans took over Congress in 1946, Congressman Dan Reed induced House GOP leaders to set up a coordinator's office, supposed to do research for members of Congress, and financed out of the public funds.

Lo and behold! Who do you think moved into this key job? The representative of private business—J. Frederick Richardson. Hitherto, Richardson had been working on the outside as the representative of acknowledged business groups. But now, thanks to Congressman Reed, he moved right inside the halls of Congress

and was put on the Government payroll. Furthermore, Richardson brought with him the same men who had been working for the American Enterprise Association.

Came last November's election, however, and the victorious Democrats moved this amazing lobby out. Thereupon it became necessary for the American Enterprise Association to get some nonpartisan political collaboration. They did this by making a deal with the law firm of Secretary of the Navy John Sullivan, a true and loyal Democrat. Sullivan's law firm was hired to analyze legislation and write the daily reports for Congressmen.

Secretary's Law Firm

The Secretary of the Navy, sensitive about any connection with the lobby, is very emphatic that he is no longer with his law firm.

"Let's get one thing clear," he snapped, when queried. "I am no longer in the firm. My name is not on the stationery. My name is not on the door."

Sullivan admitted, however, that Malcolm Hardgrove, now Washington representative of the lobby, had talked to him about various matters. Hardgrove is the man who gets information from former Speaker Joe Martin's office by occasionally slipping \$20 to a Negro messenger, who plays close to the real estate lobby and admit that he interviews 20 to 50 Congressmen a day.

"How well do you know Hardgrove?" the Secretary of the Navy was asked.

"I've seen him three or four times," he replied.

Later the same question was put to Hardgrove.

"John has been a close friend of mine for years," he said.

"But he says he has only seen you three or four times."

"Well, that's true," Hardgrove fumbled. "I've just seen him a couple of times."

"You mean you've been close friends for years and you've only seen him a couple of times?"

"I can see that we're not getting anywhere," Hardgrove blurted and hung up.

It may be significant, however, that when the Secretary of the Navy telephones Hardgrove's office, which he does from time to time, he does not ask for "Mr. Hardgrove." nor does he even use

his first name, "Malcolm." He asks for "Mal."

Democratic Support

It also is significant that Congressman Percy Priest of Tennessee, a Democrat, says that he would not have indorsed the American Enterprise Association except for the Sullivan law firm's connection with it. Priest said that the recommendation of Congressman Hardgrove had used Sullivan's

name in asking him to write a letter boosting the association. It was this letter of recommendation, plus those by two other Democrats, which started Democratic Congressmen subscribing to the lobby's analytical service.

Another liberal Democrat who was euchred into indorsing the analytical service is Senator Francis Myers of Pennsylvania, who explained that he had done so on the recommendation of Congressman Priest.