

BOB DOLE
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HUTCHINSON, KANSAS 67501

Congress of the United States
House of Representatives
Washington, D.C. 20515

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FOR IMMEDIATE RELEASE

On Friday, October 1, Congressman Bob Dole (R-Kans) sent a telegram to Manuel F. Cohen, Chairman, Securities and Exchange Commission, requesting the SEC to investigate the unusually heavy trading in Boeing, Douglas and Lockheed Aircraft stocks on the New York Stock Exchange September 29 and 30, prior to the announcement by the Defense Department that Lockheed Aircraft Corporation had been selected to develop and produce a fleet of C5A super transports at a cost of about \$2,000,000,000.

The text of the telegram is as follows:

"I would hope SEC has already ordered an investigation of the unusually heavy trading and wide price swings in Boeing, Douglas and Lockheed Aircraft stocks on the New York Stock Exchange September 29 and 30, just prior to the award of a \$2 billion Defense Department contract to Lockheed for C5A jet transport planes. Today's Wall Street Journal says word of the Lockheed award was carried on the Dow-Jones ticker at 3:09 P.M. September 30 and was confirmed by the government after the close of the market at 3:30 P.M. As the volume and pattern of trading earlier on both September 30 and September 29 shows, this information was unquestionably in the hands of certain insiders well ahead of its release to the general public. Approximately \$32 million worth of stock, representing nearly one-half million shares of stock in these three companies, was traded on the New York Stock Exchange on September 29-30. As you know, the stocks of Boeing and Douglas, who didn't get the contracts, declined by several dollars per share, while the stock of Lockheed, who received the award, advanced several dollars. Speculators with inside information undoubtedly profited handsomely on both sides of this sure-thing market. If SEC has not already undertaken an investigation of what appears to be a market scandal, I urge that such action be commenced at once. I further ask that you obtain and make public the names and addresses of individuals and firms who were substantial short sellers or purchasers of the three stocks during the week ending October 1, 1965. While I do not question the propriety of the award to Lockheed, the taxpayers, market investors and members of Congress who vote appropriations for Defense procurement, are entitled to know whether speculators with inside information are profiting from such awards.