In freighters, the comparison is vastly more unfavorable, with only 11,000 tons listed for the United States against 846,000 for the United Kingdom, 354,000 tons for France and from 10 to 25 times the United States total for other countries vastly smaller than ours.

Only in tankers is the United States total reasonably larger but even here Norway is planning on building 18 times the United States total, the United Kingdom is planning on building 10 times America's total and five times the planned American tonnage is being constructed for Panamanian registry.

Quite as unfavorable a picture is presented in the employment phase, because of the vigorous competition from foreign shipping due to the differential in wages and all-over operating costs.

Many more figures, quite as convincing, could be advanced to evidence to what a dangerously low estate United States shipping has fallen and to point up the vital need for a long-range ship construction and maritime policy that would enable American shipping to regain at least some of the ground lost and to reestablish the Merchant Marine on the basis where we at least would not be entirely helpless as at present, in the event of an emergency.

It is a matter to which we may well give serious consideration on this Maritime Day of 1950. With all the billions being spent for security purposes, our Merchant Marine may well be the Achilles heel unless we do something about it and that promptly.

Mr. MAGNUSON. Mr. President, I have stated that we hope to introduce, with the hope of having them approved and passed by the Senate, some bills, perhaps 13 or 14—relating to maritime matters. I believe that many of them are not controversial. I wonder whether we may enlist the support of the majority leader to the end that before June 30, because at that time arrangements for ship sales and ship charters expire, we may have a maritime day here in the Senate.

Mr. LUCAS. Mr. President, I respectfully suggest to the Senator from Washington that he submit to me a memorandum on that matter, and do so by tomorrow morning, in order that I may take it up with the Democratic policy committee which is meeting tomorrow afternoon, and so that I may subsequently bring it up here on the floor of the Senate.

Mr. MAGNUSON. I shall do so.

TRIBUTE TO THE LATE JAMES FORRESTAL ON THE FIRST ANNIVERSARY OF HIS DEATH

Mr. LUCAS. Mr. President, a year ago today, this Nation lost one of her most devoted sons. Exhausted by his long labors to unify the National Defense Establishment, deeply disturbed by the terrible problems facing his beloved country, James Forrestal went to a tragic and untimely death.

He wore himself out in the service of America. He carried his responsibilities with the gravity and the integrity of a great public servant. He tried to find the answers to the fundamental questions of our national security. Finally, the load became too heavy for him to bear. He grew ill, and his life came to a sorrowful climax.

I believe the work begun by Forrestal has been ably carried forward by his successor. I believe the program for unification of the Armed Forces has been efficiently extended to meet the military needs of this dangerous period of history. Much of the credit must go to Forrestal, our first Secretary of Defense.

Our Armed Forces are in a better state of readiness to repel any attack than they have ever been before in any time of outward peace. The spirit of James Forrestal still lives in the strong determination of our military leaders to be fully prepared for any eventuality. Like Forrestal, these leaders hope for peace, work for peace, and give their energies for the maintenance of a powerful defense—not for aggression, not for launching of war against any nation on earth. But if war should be hurled against us by an aggressor, we will have the armed might necessary to protect our shores and to carry the battle to the enemy's home land.

It was my good fortune to know James Forrestal as a friend. He was a man of the highest vision and the keenest sense of honor. He suffered from the attacks of those who did not understand his real character and his complete devotion to his country. I shall never forget him, and I know that his memory will long survive in the hearts of his fellow Americans.

Mr. DONNELL. Mr. President, will the Senator yield to me for a brief word?

Mr. LUCAS. I yield.

Mr. DONNELL. I desire to thank the Senator from Illinois for his reminder of the tragic event which took from our midst a great man.

I join the Senator from Illinois not only in his message of appreciation and continued high regard for the services of the late James Forrestal, but also in an expression of admiration for him, which I have no doubt is shared by all other Members of the Senate.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business, omitting all that appears on the Executive Calendar under the caption "Treaties," but beginning with the nomination on the Executive Calendar.

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nomination on the calendar.

COMMODITY CREDIT CORPORATION—NOMINATION PREVIOUSLY PASSED OVER

The legislative clerk read the nomination of Harold K. Hill, of Wisconsin, to be a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDING OFFICER. The question is on the confirmation of the nomination.

Mr. DONNELL. Mr. President, reserving the right to object, may I ask the Senator from Illinois whether it is his intention, if the nomination is confirmed, to move that the President be notified forthwith of the confirmation?

Mr. LUCAS. Not so long as the Senator from Missouri is present.

Mr. DONNELL. I thank the Senator. I assure him that I shall endeavor to be present from time to time to interpose objection to such procedure, for the reason previously announced.

Mr. LUCAS. I understand.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

RECESS

Mr. LUCAS. Mr. President, I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 23, 1950, at 12 o'clock noon.

NOMINATION

Executive nomination received by the Senate May 22 (legislative day of March 29), 1950:

HOME LOAN BANK BOARD

J. Alston Adams, of New Jersey, to be a member of the Home Loan Bank Board for a term of 4 years, expiring June 30, 1954. (Reappointment.)

CONFIRMATION

Executive nomination confirmed by the Senate May 22 (legislative day of March 29), 1950:

COMMODITY CREDIT CORPORATION

Harold K. Hill, to be a member of the Board of Directors of the Commodity Credit Corporation.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 22, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

MAY 22, 1950.

I hereby designate the Honorable JOHN W. MCCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou Supreme Ruler of the Universe, we thank Thee for the high and holy privilege that we have of calling ourselves citizens of this beloved country which Thou hast blessed so abundantly. Our hearts expand with joy and pride as we say, "I am an American."

Grant that our national life may be rooted more deeply in the spiritual realities. May our fundamental and guiding principles, our character and spirit, our hopes and aspirations, be truly Christian.

May our democracy be one which believes in the fatherhood of God and which practices the brotherhood of man, and may our creed and our conduct always be in close and cordial agreement,

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

We pray that we may also sense our responsibility in the realm of universal history. May we be more conscious of having certain distinct contributions to make to the welfare of all mankind. Help us to think and plan and act in terms of humanity. May we seek to bring to fulfillment everywhere the great ideals of righteousness, justice, liberty, and fraternity.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Friday, May 19, 1950, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 16, 1950:

H. R. 5876. An act to amend the Army-Navy Nurses Act of 1947, to provide for additional appointments, and for other purposes.

On May 17, 1950:

H. R. 5472. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

On May 18, 1950:

H. J. Res. 466. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the First United States International Trade Fair, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 183. Joint resolution to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session.

The SPEAKER pro tempore. The gentleman from Montana will take the chair.

Mr. MANSFIELD assumed the chair as Speaker pro tempore.

ELECTION OF SPEAKER PRO TEMPORE

Mr. PRIEST. Mr. Speaker, at the request of the absent Speaker, I offer a resolution.

The Clerk read the resolution (H. Res. 608), as follows:

That Hon. JOHN W. MCCORMACK, a Representative from the State of Massachusetts, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. JOHN W. MCCORMACK as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PRIEST delivered the oath of office as Speaker pro tempore to Mr. MCCORMACK.

SPECIAL ORDER GRANTED

Mr. HOBBS asked and was given permission to address the House on tomorrow for 30 minutes, following the legislative program and any special orders heretofore granted.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. FLOOD addressed the House. His remarks appear in the Appendix.]

MILK CHECKS ORDER FOUGHT BY MURRAY

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, the following article appeared in the Sunday, May 21, Washington Post:

MILK CHECKS ORDER FOUGHT BY MURRAY

Representative REID F. MURRAY, Republican, Wisconsin, is battling a ruling by the Post Office Department that postage must be paid on weekly milk checks sent to farmers from their local creamery, even when delivered by the cream hauler who picks up the milk cans. This is a fight that has been going on for years.

The postal authorities have ruled that checks which show upon their face or by stubs such information as the weight of the milk, butterfat content, etc., are considered letters within the meaning of the private express statutes.

Under title 39, United States Code, section 500, the Post Office Department adds, permission is given for such delivery of the checks providing the mailer makes payment of the same postage as would have been paid had the letters been sent through the mails.

"Inasmuch as the postal monopoly does not extend to articles other than letters," Postmaster General J. M. Donaldson recently wrote MURRAY, "there is no requirement that postage be paid on butter transported outside the mails."

The ruling has raised the question in Congress as to how it affects the delivery of bills by public utilities, etc. Many utility companies deliver monthly statements by meter readers instead of by mail.

The time has come when patience ceases to be a virtue so far as this situation is concerned. The ruling is not based on ordinary fairness.

The rural people are being subjected to a senseless regulation and other groups are not asked to follow the same rule. This unfair ruling has been in operation too long and it is high time it is rescinded.

The rural people are denied social security, denied industry pensions, but they are asked to help pay other people's social security. This milk-check situation is just one of many other instances where the rural people get the short end of the New Deal-Fair Deal legislation.

HOUR OF MEETING TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today following the legislative business and any other special orders heretofore entered.

The SPEAKER pro tempore. The Chair will put the gentlewoman's request, but desires to state that the House will probably adjourn early today due to the I Am an American Day exercises taking place on the front steps of the Capitol.

Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

I AM AN AMERICAN DAY

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I see we are going to celebrate in front of the Capitol this afternoon I Am an American Day.

I think it is pretty bad to take but 1 day out of 365 to say "I am an American." I want to be an American 365 days in the year. In order to do that we have got to look after America and the things that are for the best interest of America and the American people. I want to call your attention to a lot of things that will happen now in the ECA and in the State Department in the matter of the reduction of tariffs permitting all kinds of merchandise to come into this country and creating unemployment amongst our people, closing down many manufacturing establishments.

This morning I received the following letter:

KEYSTONE TANNING & GLUE CO., INC.,
Ridgway, Pa., May 17, 1950.

The Honorable ROBERT F. RICH,
Woolrich, Pa.

DEAR BOB: May I call your attention to the perilous condition existing today in the leather industry in the United States. Within the past 2 years a large number of tanneries, many of which had operated for close to a century, have found it necessary to liquidate their plants and cease operations permanently. Those still remaining have been forced to curtail production to as high as 50 percent capacity, depriving thousands of workers employment.

This condition is due in a large measure to the fact that the United States tariff rates are already the lowest in the world. Any further cuts would prove most disastrous.

It is my plea that you use your influence to increase the tariff to a point where we can be assured of protection in our jobs.

Sincerely yours,

FRANK F. MARSHALL,
Chief Chemist.

If you want to preserve America for Americans, you have got to do the things that will help keep this country and its industry intact; you have got to keep the tariff out of the State Department. Get back to fundamentals of government as our forefathers saw it in making America great. Protect our watchmakers, our textiles, our leather, our industries who pay high wages, from those of low foreign wages. We want our labor to have jobs, not doles. Secretary Acheson promised foreigners we would arm them, support them in most everything ECA is doing. He is not for America in such promises.

I am for America today, tomorrow, and forever. Why not you and everybody who seek our freedom and liberty and protection?

MARY ANN McCARTHY

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, there used to be an old drinking jingle, I first heard way down in Kansas, that the "lushers" loved to sing while sipping their soda pop, which ran something like this:

Sure 'twas Mary Ann McCarthy,
Who went out to dig some clams.
She dug up all of San Francisco Bay—
She shoveled it out and then back in again—
But she didn't get a "gol darn" clam.

Today other blundering Mary Anns are digging with might and main to shovel up a Red, but are not having any better luck than witless Mary Ann had on her alleged clam jaunt. I suppose there are proper ways of "clamming," as there surely must be in "Redding," but some people just do not seem to know about it yet. They go after the job with bull strength and diplomatic awkwardness and if they stood upon their record as Americans they would be atop a sky-high cipher.

THE BIRMINGHAM HOSPITAL, VAN NUYS, CALIF.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, all of California, as well as the rest of the country, wants the Birmingham General Hospital at Van Nuys, Calif., kept open for the disabled veterans, particularly for the TB veterans, the paraplegics, and the amputees. As the House knows the President has ordered the transfer of those veterans to the naval hospital at Long Beach, Calif.

General Gray has announced, and he so told me just a little while ago, that they are going to build a hospital on the site of the Van Nuys hospital which I suppose will take 3 to 5 years, maybe longer to erect. Then again, it may be decided not to build the hospital at all.

What is going to become of the paraplegics out there at Van Nuys who have built their houses near Van Nuys? What will they do for treatment in the meantime? Some have to go for treatment every day. I understand the naval hospital is at least 51 miles away through congested roads.

Mr. Speaker, what are the servicemen going to do when many Army and Navy hospitals are closed all over the country? I spoke to servicemen from the Army and Navy on Saturday and Sunday and they have no idea how our service people are going to be hospitalized. You cannot make hospital beds out of air. These beds are badly needed for our veterans and armed-service personnel at the present time. This move to close Birmingham General Hospital is unfair to everyone. It should be kept open until the new hospital at Van Nuys is opened.

POINT OF ORDER

Mr. HOFFMAN of Michigan. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, when the gentleman from Nebraska [Mr. O'SULLIVAN] was speaking for 1 minute, he made reference to a Member of the other body. I was on my feet to object and I do object to his extending his remarks in the RECORD.

Mr. PRIEST. Mr. Speaker, I make the point of order that the objection of the gentleman from Michigan comes too late.

Mr. HOFFMAN of Michigan. Mr. Speaker, I was on my feet addressing the Chair and trying to make the point of order when the gentleman concluded, but I was not recognized by the Speaker.

The SPEAKER pro tempore. The gentleman certainly did not convey to the Chair the fact that he had any intention of making a point of order. I think the observations of the gentleman from Michigan so far as the RECORD is concerned will be taken into consideration by the gentleman from Nebraska when he revises his remarks.

THE ENGELMANN SPRUCE BEETLE

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I rise to urge my colleagues to provide the necessary funds requested in the deficiency appropriation for the Department of Agriculture to carry on its campaign to wipe out the beetle and other pests which are threatening to destroy our national forests.

I have repeatedly discussed the necessity of this deficiency appropriation to save our forest lands, but so far my appeals have fallen on deaf ears.

The situation is growing more critical day by day. Unless action is taken to stop the spread of these insects soon, it will be too late to save our forests. Like the story of the grasshoppers eating the handles off the pitchforks, the Englemann spruce beetle is literally eating up our national forests. Thousands of trees are being killed. Some of the beautiful trees you have seen in our national parks in the West are dying as a result of the attack of these beetles. And that is not all. Killing these forests means devastating soil erosion, less water conservation, and a serious blow in many ways to our national economy.

I cannot but cite the inconsistency of the Congress which will throw money away in Europe and yet refuse to supply funds for the necessary protection of our national forests and crops. But that is just what you are doing by cutting out this fund.

We must speed help to the battle against these forest marauders. Action is needed at once.

The following editorial from the Rocky Mountain News, of Denver, Colo., of May 17, ably points out the urgency of the present crisis:

THE SPRUCE BEETLES MUST BE STOPPED

It will cost $4 per tree to spray the 750,000 trees that are threatened by the creeping death of the Engelmann spruce beetle.

That's a tremendous amount of money. And yet unless this money is spent Colorado and Wyoming face the possibility of losing completely the magnificent spruce forests that have given not only beauty but stability to the soil and strength to our economy.

A measure is in a subcommittee of Congress to do this job right now. In our opinion our Colorado and Wyoming delegations must do everything possible—even to the extent of screaming from the Washington house tops—to get this measure reported out successfully.

Otherwise, the tragedy that will engulf this State is beyond any imagining.

UNITED NATIONS PARTICIPATION ACT, FOURTH ANNUAL REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 598)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs, and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith to the Congress, pursuant to the United Nations Participation Act, my fourth annual report on the activities of the United Nations and the participation of the United States. This report for the year 1949 tells an impressive story of accomplishment, much of which we are prone to overlook in the clamor of daily difficulties. I commend it to the careful reading of all our citizens.

The Charter of the United Nations is a contract among the members to settle their disputes peacefully and to promote the economic and social advancement of all peoples for the building and maintenance of a durable world order.

We support the United Nations and keep this contract because the Charter expresses our fundamental aims in the modern world. We know that the fulfillment of the Charter will best advance our own vital interests—to attain peace

with justice, to assure freedom, and to bring about economic and social progress, for ourselves and all peoples. It is for this reason that support of the United Nations is and must be point 1 of our foreign policy.

Most of the nations of the world share these objectives and are working through the United Nations to achieve them. They therefore tend increasingly toward common judgments on the great issues confronting mankind. The decisions of the United Nations in 1949 show to a greater extent than in previous years that the convictions of the world's peoples on matters of fundamental concern have become clear and firm with the lessons of postwar experience.

Relations among nations have never been, and probably never will be, free from difficulties. The intensity of the East-West conflict has obscured the fact that certain critical disputes have arisen from purely local conflicts and that many such problems would continue to confront nations even if relations between the Soviet Union and the rest of the world were far different from what they are today. In a time of swift and profound change like the present, questions of adjustment of views and interests among nations are more numerous and urgent than at any previous period in history. There are few international problems that fail to confront us with the need of making decisions on the policy we should follow or the national attitude we should express in the United Nations and in our direct relations with other states. These problems make daily demands of us for sober judgment and strength of spirit and purpose. They make the same of every nation seeking to carry out the Charter.

The United Nations is an organization to help members resolve international difficulties. It is also a mirror in which the state of world affairs is reflected. We cannot expect from the United Nations immediate solutions of problems as large and complex as many that are before it. But already we have seen how, by its debates and decisions, it is helping to guide the nations into the ways of peace. To the extent that solutions of problems are delayed or are obtained piecemeal, we must be realistically prepared to live with them. Persistent effort through the United Nations is an expression of our faith that these problems can be solved.

This faith is not misplaced. Experience is demonstrating that the United Nations processes of debate, consultation, conciliation, and agreement are capable of bringing about the peaceful settlement of disputes wherever both sides fundamentally respect reason and pledged undertakings above force. The report for 1949 shows how greatly the United Nations has contributed to the settlement of the Indonesian dispute, how it has brought an end to the fighting in Palestine and in Kashmir, and how it continues to work energetically toward further progress in the solution of these disputes. Many lives have been saved through the success of the United Nations in moving such conflicts indoors—from battlegrounds to conference tables.

The power of the United Nations today is that of moral force. Such force gathers its strength slowly, but it does so surely. No nation can ignore the question of how its actions will appear in the world forums of the United Nations. No nation, member or nonmember, attending or nonattending, can avoid accountability before the United Nations for actions affecting the peace. The aroused opinion of mankind, when brought to sharp and immediate focus as it often is in the United Nations, is not lightly to be dismissed, even by a nation that has strong battalions.

Much of the useful work of the United Nations is and should be long-range in character. In some of its fields, the tasks are those of development over many years, as in the steady and seemingly prosaic steps toward the building up of international economic and social health through cooperative relations among all nations desiring to help each other. It is in such far-flung and manifold activities no less than in its efforts to handle critical tensions that the United Nations is creating fundamental conditions necessary for the growth of peace. The report I submit this year gives to this work the fuller attention it merits. It shows that in economic and social fields the United Nations is becoming increasingly effective in improving the daily life of millions of people. In 1949 the Economic and Social Council proposed, and the General Assembly unanimously adopted, a program of technical assistance to underdeveloped areas which is directed toward the goal I outlined as point 4 in my inaugural address. This program of the United Nations offers solid promise for world advancement.

By related programs, the United Nations is promoting economic development in regional areas and in various fields of endeavor. Through a program of public works started in the Near East, jobless and homeless refugees can find new homes and the foundation of self-reliance through beneficial employment rather than relief alone. Special training fellowships are being given by the United Nations and the specialized agencies to hundreds of students for study. Upon request, experts are being sent to demonstrate in underdeveloped areas the advanced knowledge and techniques which the local peoples can put to practical use. Expert missions in the fields of public administration and finance, agriculture, medicine and health, social problems, and labor matters have been sent to many countries on request of governments to tackle urgent problems that stand in the way of improved standards of living. All this work will be further intensified as the expanded program of technical assistance is put in operation.

In other fields also, progress is being pressed. The new Field Service and Panel of Field Observers provide specialized help for commissions of peaceful settlement. It has been agreed that two of the former Italian colonies, Libya and Italian Somaliland, are to become independent states. The advancement of trust areas and other non-self-governing territories is steadily being fostered through the cooperation of the administering states and the United Nations. On legal questions it is gratifying to observe the gradual increase in the use of the International Court of Justice. Respect for and dependence upon the processes of law are essential in the building of the better world order.

These constructive activities have been overshadowed by the unsolved problems arising from the policies and acts of the Soviet Union which lead to tension and impairment of security in international relations. The United Nations rendered a great service during 1949 by asserting, in the notable resolution of the General Assembly on Essentials of Peace, the standards of conduct necessary to restore international confidence. Each of the 53 members other than the Communist states represented in the United Nations gave its support to this fundamental call for action to build peace. By this and other steps, the United Nations made it clear that the great issues of security in the postwar period are between the Soviet Union and the rest of the world at large and that these issues arise from failures by the Soviet Union to conform its conduct to the purposes and principles of the Charter.

The international control of atomic energy stands foremost among the urgent matters calling for agreement. Effective international regulation of armaments and armed forces is a related problem of urgency.

Our experiences during 1949 in the United Nations provided further demonstration that, as the Secretary of State has recently stated, agreements with the Soviet Union and its satellites are valid only as and when they record existing situations of fact. It is not enough to hope for agreement or to make proposals; it is essential to create the conditions under which it will be to the interest of the Soviet Union to enter into and to keep agreements. All international activities which create moral, economic, and military strength among the nations of the free world will broaden the area of possible agreement and hasten its coming.

We are endeavoring in the United Nations as in our other international actions to make clear to the Soviet Union that we seek to carry out the Charter in deed as in word, and that we ask no more or less from any other member. It will be our plan in the future, as it has been our practice in the past, to do all in our power to strengthen the United Nations as the primary instrument for the maintenance of peace. By our efforts to strengthen it and by our related assistance to other nations under legislation enacted by the Congress, we shall seek to make our utmost contribution to attaining the situation of fact in which agreement can become realistically possible.

The United Nations seeks agreement and the execution in good faith of agreed undertakings. This is the true basis of a world community founded on law and justice. We, for our part, will continue to negotiate and to examine every proposal in our unending effort to achieve

security through effective and dependable agreement.

It is a source of encouragement that the United Nations in conducting its work is distinguishing between realities and illusions and is vigilantly insisting, problem by problem, upon solid gains through actual performance. It is striving for real peace, genuine freedom, and actual progress. This fact stands out in its record.

The walk-outs of the Soviet Union over Chinese Nationalist representation in the United Nations occurred since the events of 1949 described in this report. In the presence of this willful flouting by the Soviet Government of obligations assumed by it under the Charter, the United Nations has taken the common sense attitude of proceeding with its business as usual.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 22, 1950.*

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in four instances, and in one to include an editorial, in another a radio address, in another a letter from the rubber workers, and in another a resolution.

Mr. FLOOD asked and was given permission to extend his remarks in two instances, and include in one an editorial and in the other an article.

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include a newspaper article.

Mr. ELLIOTT asked and was given permission to extend his remarks and include an article.

Mr. FOGARTY asked and was given permission to extend his remarks.

Mr. GOODWIN asked and was given permission to extend his remarks and include a newspaper article.

Mr. RICH asked and was given permission to extend his remarks and include an article.

Mr. HART asked and was given permission to extend his remarks and include an address by Mr. John Forney Rudy.

Mr. PRICE asked and was given permission to extend his remarks in two instances and in each to include extraneous matter.

Mr. HOLIFIELD (at the request of Mr. PRICE) was given permission to extend his remarks.

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks on the subject of rent control.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in four instances and in each to include extraneous matter.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include a letter from the Rubber Workers Union of Watertown, Mass., protesting against the imports of rubber and canvas shoes from other countries, and a copy of a letter sent to the President of the United States.

Mr. JOHNSON asked and was given permission to extend his remarks.

Mr. YATES asked and was given permission to extend his remarks and include an editorial appearing in the Chicago Sun-Times of Tuesday, May 16.

Mr. MULTER asked and was given permission to extend his remarks in four instances and include extraneous matter.

Mr. MERROW asked and was given permission to extend his remarks and include an editorial.

Mr. MACY asked and was given permission to extend his remarks and include an address he delivered before the YMCA southeastern conference.

Mr. O'KONSKI asked and was given permission to extend his remarks and include three tables.

Mr. FARRINGTON asked and was given permission to extend his remarks and include an editorial.

Mr. McCULLOCH asked and was given permission to extend his remarks and include two editorials, one from the Columbus (Ohio) Citizen and one from the Cleveland (Ohio) Plain Dealer.

Mrs. ST. GEORGE (at the request of Mr. SADLAK) was given permission to extend her remarks in three instances and include newspaper articles.

Mr. RIEHLMAN asked and was given permission to extend his remarks and include two essays entitled "Democracy Versus Socialism" written by two high-school students.

Mr. McCORMACK (at the request of Mr. PRIEST) was given permission to extend his remarks and include an article by Claude G. Bowers, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $246.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include an editorial.

DEFICIENCY APPROPRIATION BILL, 1950

Mr. KERR. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 1½ hours, to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8567, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, we live under the most perfect form of government ever devised by the mind of man.

But it has one dangerous defect.

Expenditures from the Federal Treasury are voted by Members of Congress who are directly dependent upon the beneficiaries of those expenditures for reelection. The result is that the votes of Members for or against expenditures of public funds may not always be determined by the merits of the expenditure but may be subject to considerations of political expediency. Congressional candidates have frequently based their campaigns for reelection on the amount of Federal funds they have been able to bring home to their districts, their States, and their special interests.

In the early days of the Republic, when the sole interest of the Nation was to foster and encourage the growth and progress of the young Government, when every citizen desired to contribute, in every way possible, to its strength and perpetuity, this defect was not so apparent or so serious. But today when there seems to be a universal desire on the part of everybody to get all they can from the Government, it has become a menace second only to the danger of invasion from abroad.

As a matter of fact it contributes directly to the danger of foreign intervention in that the huge deficits which it is creating are weakening our potential defense by depreciating our currency, inflating the cost of living, mushrooming the expense of armament, increasing our already incredible national debt, undermining the confidence of the people in United States Government bonds with which this debt must be refunded, and necessitating burdensome taxes which promote unemployment and retard national industry.

So serious has become the problem of deficit spending and mounting national debt that every possible safeguard must be thrown around the appropriation of funds from the National Treasury by House and Senate.

The one-package bill, the consolidation of all annual appropriations in one bill, submitted simultaneously with the latest authoritative report on the national revenues for the year, is contributing directly and effectively to this urgent need in our fiscal system.

Although the omnibus bill was considered under the most adverse circumstances, it has demonstrated that even under untoward conditions it:

First. Permits an earlier report of appropriations to the House. All annual appropriations were reported to the House this year on March 21, the earliest date in the history of the committee. The foreign-aid appropriations were not included because of lack of legislative authority, but would have been included at that date had there been authorization.

Second. It contributes to a more thorough consideration and processing of estimates and appropriations.

Under the old system, each member of the committee served on from two to four bills and the committee staffs were similarly handicapped, with the result that time and attention were divided proportionately. Under the new system each member of the committee and each member of the staff give their undivided attention to one bill, with the result that each bill is studied in greater detail and more thoroughly processed than ever before.

The effect of this intensive study is reflected in the few changes made when the bill was passed by the committee and the House.

Third. Consolidation protects the bill against amendments increasing appro-

priations or adding new appropriations. This year for the first time we were able to defeat amendments adding to amounts carried by the bill which in every former session we have been compelled to accept therein increasing the bill by millions of dollars. For example, this is the first year we have been able to fight off amendments increasing appropriations for civil functions, the pork barrel section of the bill. This year the bill as messaged to the Senate carried practically no important increases except the committee amendments for national defense.

Fourth. The consideration of all appropriations in one bill tends to keep Members on the floor. Under the old system, large bills were frequently passed with a scant two dozen Members present, and proponents of increases in appropriations, by carefully timing their attendance, could put through amendments which would not have been agreed to with more Members present. In fact, one of the few objections voiced against the omnibus bill is that it irks Members by keeping them on the floor. I think there will be general agreement that the taxpayers would rather irk the Members a little during the consideration of the one bill than to pay the additional taxes due to the absence of Members in the pursuit of their official duties elsewhere.

Fifth. The plan unquestionably retrenches expenditures. The bill as it passed the House was far below the budget estimates and was millions of dollars below what it would have been had the departmental appropriations been reported to the House in a dozen separate bills.

As a matter of fact, the last two amendments, intended to decrease expenditures carried by the bill would not have been possible except for the omnibus plan of consideration. And the vote in favor of them would not have been so overwhelming had not this plan of operation been in use at the time.

Sixth. It prevents logrolling. We had been told this was one of the defects of the new plan; that there would be more logrolling between interests wishing to trade votes in order to add amendments increasing appropriations. But in the practical operation of the plan every attempt of special interests to increase the bill was defeated, and when the last roll call came on reducing the amounts appropriated in the bill, the groups which had been unable to secure increases which they urged for themselves said in effect, "If we cannot get an increase, no one shall have an increase," and instead of logrolling to increase the bill, they cooperated to reduce the bill.

Our experience with the omnibus bill this session demonstrates that it effectively disposes of the old system of logrolling so prevalent in the consideration of individual departmental bills.

Seventh. The one bill visualizes at a glance the outline of national income and expenditures, and centers the attention of the country on the national fiscal program. It was the pitiless limelight of national attention concentrated on these final votes that offset the pleas and importunities of the pressure groups and special interests. The omnibus appropriation bill has made the entire country definitely deficit-conscious. With all appropriations in one bill, accompanied by the figures on Federal income, there is no escape from the responsibility for deficit spending.

Eighth. The reception of the bill in the Senate also justifies the consolidation of appropriations in one bill. Over on the other side, although hearings had been completed, the Committee on Appropriations, by unanimous vote, suspended all work on appropriations pending further study of the provisions of the bill as it passed the House, and hearings have been reopened with a view to securing the latest information available on revenue and deficit estimates in connection with the expenditures proposed by the omnibus bill.

Heretofore it has been difficult, if not impossible, to make such comparisons, as no one knew until the last bill passed both the House and the Senate the aggregate amounts involved.

Up to this time, Mr. Chairman, no constructive criticism has been lodged against the adoption of the omnibus appropriation bill. It has vindicated every promise; it has justified every expectation. And no cogent reason has been advanced for a return to the old system.

It is the realization of hopes and plans on which congressional parliamentarians and economists have worked since the original adoption of the budget system in 1921. It is the practical adaptation of the idea of the legislative budget proposed in the Reorganization Act of 1946 on which House and Senate labored futilely for 2 years.

It is to be hoped it will prove as workable in the Senate as in the House.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Appropriations Committee is back again with a bill. I shall not attempt at this time to go into the details of the bill because I shall leave that for the majority to cover. The bill, as to a great many items, is below the budget; it carries in its major items $806,000 for the Department of Justice; $8,083,000 for the Department of Commerce; $902,000 for the Judiciary; $219,000 for the Treasury; $99,633,000 for the Post Office Department; for the Labor Department $7,200,000, the larger part of which is for grants to States for unemployment compensation and Employment Service administration; the Federal Security Agency, $40,000,000 for grants to States for old-age pensions and that sort of thing; for fighting fire in the Forest Service, $6,667,000; for the Interior Department, $3,080,000; for the Veterans' Administration, $246,000,000; for the National Advisory Commission for Aeronautics, $75,000,000; for the operations of the Corps of Engineers on two deficiency estimates, $3,250,000; for emergency flood control and flood control in general, relating not to specific projects but to those funds which the Corps of Engineers has available for such things as repairing dikes and other protective devices along the river.

For aid to the Republic of Korea $50,000,000, which is $10,000,000 below the budget estimate and $7,000,000 or more below what the agency itself requested.

Increased pay and travel allowances due to the pay increase bill $71,796,000 and a like item for the District of Columbia of $6,600,000.

For claims about $8,627,000.

The only item above the budget estimate of any moment is an item set up for the National Advisory Committee for Aeronautics, and this has to do with the wind tunnel. That item is above the budget because it would cost $27,000,000 or approximately that less to build it all at one time. They say if we are going to have it we ought to have it right away in view of the military situation.

There are some items in here that a good many people feel are quite liberal and should be cut down. I presume those things will be brought out. The only ones I heard the testimony on so that I would be in position to answer questions would be the ECA item and the item affecting the Corps of Engineers.

The appropriations we have made so far indicate that the deficit will be so large that it constitutes a menace to the entire governmental economy. We cannot make all of the appropriations for the things we really would like to give to the people, and yet continue to protect our Army and Navy requirements.

The Congress is facing a real difficult situation. One of the great troubles, and it is far more serious than the gentleman from Missouri described, is that the people who have the spending of this money constitute a group of bureaucrats without any sense of responsibility and until the Congress can instill into those bureaucrats a sense of responsibility and of the absolute necessity for cutting down on the expenditures of the Government, it is going to be impossible for us to balance the budget and to provide at the same time enough revenue to keep the United States of America right side up.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I would like to ask the gentleman if he remembers the memorandum sent to the Committee on Appropriations regarding the fact there are 150 veterans entitled to automobiles but there are no funds for those veterans. The Veterans' Administration so informed the Committee on Appropriations. May I ask either the gentleman from New York or the gentleman from Missouri about that?

Mr. TABER. I would not know about that. If it was presented it was presented to the Independent Offices Subcommittee, and I would think the gentleman from Texas [Mr. THOMAS], might be able to answer it.

Mr. THOMAS. I will be glad to. I will say; to the gentlewoman that that is news to the committee. General Gray appeared before the committee, and on that item he said he had no requests for funds and no budget estimate, and that he had a few funds left on hand. That was some 60 or 90 days ago.

Mrs. ROGERS of Massachusetts. This was a recent thing.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, it seems appalling that these 150 men have not been able to get their automobiles until the money is appropriated. These men need automobiles to get them out to their business, and anyone who has lost a leg knows what it means so far as getting about is concerned; they know what it means in getting about in buses. I realize that the Veterans' Administration was lax in bringing this matter to the attention of the Committee on Appropriations. I contrast this with the fact that out of the money we give to England, under the socialized-medicine system they have there, a man who is bald is entitled to two wigs, and those wigs are kept clean for him, the idea being that it gives the man an inferiority complex to be bald. I saw an advertisement also in a Cologne hair-dressing magazine where England advertised for trained hair dressers. I have seen many fine men, some of the ablest men bald, and I find that they have no inferiority complex. I contrast that with the fact that the Government is not providing these cars for the men in order that they may have the necessary transportation in order to get to and from their work.

I have introduced House Joint Resolution 473 to authorize the Administrator of the Veterans' Administration to continue to provide automobiles and other conveyances to certain disabled veterans. One hundred and fifty veterans would come under the present law which expires on June 20 of this year but for which there is now no appropriation. The veterans that would come under this bill would be the men that would become eligible, discharged from hospitals in 1951. These men, I will say to the Committee, are men who have been hospitalized because of amputations, and those whose injuries were not healing properly, when they were trying to save their legs, and finally an operation had to be performed. Those are the men who have been in the hospitals ever since they were wounded. Five of them were discharged recently from Walter Reed Hospital, and that was true in their case. Because of an error in the legislation passed giving them retirement enlisted pay a bill may have to be passed out of the Armed Services in order to give them their separation pay, and also in order to give them the benefit of receiving these automobiles.

I should like to ask the chairman of the Committee on Appropriations, Mr. CANNON, if he believes that House Joint Resolution 473, introduced by me, which would authorize the extension of the act and the appropriation for another year, can be passed? Is there anyone on the floor that can answer that question? I am very sure the budget would not object to this. I do not see how any human being could object to extending the law for the men who have been most seriously injured. Can the gentleman from North Carolina, Judge KERR, answer that question, in the absence of the gentleman from Missouri [Mr. CANNON]?

Mr. KERR. That matter did not come before our Deficiency Committee.

Mrs. ROGERS of Massachusetts. But the gentleman feels there is no doubt but that it would pass? There are only 360 men involved. The amount of money required to take in all of them is very small.

Mr. KERR. It would be hardly fair for anyone to guess at it until we got a budget estimate.

Mrs. ROGERS of Massachusetts. It has been passed every year. I feel sure it will be passed this year.

The Veterans' Administration has just sent me the following estimate:

The $800,000 specified in the above draft is based roughly on an estimated 150 cases for the balance of the present fiscal year and about 350 cases for fiscal year 1951 at $1,600 per case.

Mr. Chairman, House Joint Resolution 473 is as follows:

Resolved, etc., That the funds provided for automobiles and other conveyances for disabled veterans under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947 (Public Law 663, 79th Cong.), as extended by the Emergency Appropriation Act, 1948 (Public Law 161, 80th Cong.), the Second Deficiency Appropriation Act, 1948 (Public Law 785, 80th Cong.), and the Third Deficiency Appropriation Act, 1949 (Public Law 343, 81st Cong.), are hereby continued available until June 30, 1951. There is hereby appropriated for such purposes, in addition to such funds, the sum of $800,000 to remain available until June 30, 1951.

Mr. KERR. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the bill before you for consideration is the deficiency appropriation bill for the fiscal year 1950. The estimates for all items considered in connection with the bill total something over $605,000,000, against which the committee is recommending approximately $625,700,000.

This bill, similar to previous deficiency appropriation bills reported during this Congress, is the result of the work of all of the subcommittee rather than just the deficiency subcommittee. The chairmen of the respective subcommittees will, I am sure, be able to explain in detail the items over which their subcommittees have jurisdiction. I just want to point out a few of the high spots. Many of the items contained in the bill are of such a nature as to leave the committee no choice but to approve them either in the full amount of the budget request or substantially in the full amount requested. Among these is nearly $100,000,000 for the Post Office Department; $40,000,000 for grants to States under the Bureau of Public Assistance; $244,000,000 for veterans' pensions and miscellaneous benefits; almost $72,000,000 for increased pay and travel costs resulting from the enactment of legislation during the first session of this Congress; and over $8,000,000 for claims and judgments.

In addition to these large amounts the independent offices chapter includes $75,000,000 for the construction of wind tunnels by the National Advisory Committee for Aeronautics. In acting upon this request the subcommittee denied the contract authority but increased the cash appropriation from $5,000,000 requested to $75,000,000. This money is to complete the program over a 4-year period, at an estimated saving to the Government of $27,000,000. Adjustment of the program will save an additional $34,000,000, or a total saving of approximately $61,000,000.

Other items in the bill are more or less routine deficiencies. All items have been thoroughly reviewed by the committee, which recommends their adoption in the amounts contained in the bill.

The House adopted last Friday House Joint Resolution 476 to provide for the more urgent items of expense pending the enactment of this bill into law. Such items as veterans' pensions, old-age assistance, witness fees, and salary payments will continue to be paid in accordance with law.

The deficiency committee itself had under consideration only two items in this bill. One was an emergency item to repair levees in the Ohio and Mississippi Rivers, for $2,500,000.

The other was to make repairs in Lake Okeechobee, Fla., amounting to $750,000.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, some of the items to which I shall refer will be discussed in detail when the bill is read for amendment. Several inquiries were directed to me within the last few minutes, about two items on page 5, lines 1 to 6. The item of $500 and another item of a thousands dollars for stationery funds are solely for three newly elected Members of the House.

One of the items of rather large size relates to one of the Federal aid programs, namely social security grants for public assistance. When these figures were first given to us they had been worked up many months prior to the time of the passage of the appropriation bill of 1950. With the coming of the last quarter of 1950 the States are in a position to tell the Federal Government how much exactly they are going to spend upon this program. With that knowledge the department was able to tell us how much more was necessary in this deficiency bill to meet the Federal obligation.

This is a program providing for old-age assistance and relief to dependent children. It is a program that is constantly mounting. For this year, 1951, it will approach $2,000,000,000, and if the bill now pending in the other body is passed, it will be double that amount. The time has come when the American people should look at these Federal grant-in-aid programs quite carefully.

I was amazed when I was home last fall to find that in two counties, more than half of the expenditures of the county related to this Federal aid program. There was one situation where one of the families on relief was drawing more than many of the county employees. For instance, one family received more for relief than the pay of the superintendent of roads and bridges, a man who put in six days a week. Yet, no work was being done by any member

of the family receiving these funds from the county. So it is, Mr. Chairman, with the ever increasing Federal spending calling for Uncle Sam to take nearly 75 percent of all the taxes collected, it is high time to study some of these programs calling for Federal funds.

Much of this heavy spending comes from what we have termed Federal aid. Well, Federal aid is a myth, because the Federal funds come from only one source—the taxpayers of the 48 States, and Federal aid is really nothing more than the distribution of money or wealth, taking the dollars from the tax payers' 48 States and returning these dollars in various amounts under various formulas to the 48 States.

Federal aid might be called a gigantic "put and take" game because some States put in as much as fifteen or twenty dollars for each one they get back in some program and other States get twelve to fifteen dollars back to every one dollar that they put in by way of tax payments.

The history of these programs shows that these Federal-aid programs are for the most part the brain children of some Federal bureaucrat who decided, whether they want to or not, that the State and community should do certain things. The lure or the bait or the inducement to get them to do these things is the so-called Federal aid. To get Federal aid the States and communities are compelled to do certain things the way Uncle Sam says they should do them, all of which, of course, calls for more Federal control and a gradual decline in State sovereignty and independence and responsibility, all of which go along with States rights and the fundamental basis of this Republic.

In theory it was assumed that once these programs had proven their value to the States and communities, the value would be so apparent that the communities would carry them on wholly with their own funds and Uncle Sam would get out of the picture. But as far as I can find that has never yet happened. In fact, the opposite has been the case. Most, if not all, States are in better financial condition than the debt-burdened Federal Government. Many States which we used to call poor States are now gaining income and financial ability so that they can do many of these things for themselves.

During the debate on the 1951 appropriations I presented a table showing the collection and distribution of hospital construction funds. Last week a table was presented showing the collection and distribution of Federal highway funds. Other tables could be prepared showing the taxes and the distribution of Federal funds of billions of dollars annually.

Some of the programs could now be stopped; others could be modified.

So vast, so important, so costly are these Federal programs that they should be fully studied, especially in view of the fact that hundreds of bills are pending calling for more and greater spending in so-called Federal-aid programs.

For that reason, today, as I earlier intimated I would do, I have introduced a concurrent resolution asking for a joint Senate-House committee to study all of the grant-in-aid programs, to determine their effect on the national economy and upon States and their taxing and spending programs.

A copy of that resolution follows:

Resolved by the House of Representatives (the Senate concurring), That there is hereby created a joint congressional committee to be known as the Joint Committee on Federal Grants-in-Aid (hereafter referred to as the "joint committee") to investigate—

(1) The operation and effect of Federal grants-in-aid programs on the national economy, especially on Federal and State financial and tax structures;

(2) The administration of such programs by any executive department, establishment, or agency charged with their administration, and the extent to which such department, establishment, or agency exercises control in the field or fields of activity of the respective programs:

(3) Measures and methods of modification of grant-in-aid programs with a view to reducing Federal participation, supervision, and control, and making possible the exercise of greater responsibility by the States and local communities; and

(4) Conduct such other investigations with respect to such programs as the joint committee may deem necessary.

SEC. 2. (a) The joint committee shall be composed of 12 members, as follows:

(1) Six members from the United States Senate, three from the Committee on Appropriations and three from the Committee on Finance, to be divided equally between the majority and the minority parties, and to be chosen by the respective committee from their membership, subject to the approval of the President of the Senate; and

(2) Six members from the House of Representatives, three from the Committee on Appropriations and three from the Committee on Ways and Means, to be divided equally between the majority and the minority parties, and to be chosen by the respective committees from their membership, subject to the approval of the Speaker of the House.

(b) Vacancies on the joint committee shall be filled in the same manner as herein provided for the selection of members, it being required that the committee and party representation on the joint committee be maintained.

(c) The members shall serve without compensation in addition to that received for their services as Members of Congress.

SEC. 3. The joint committee shall elect a chairman and a vice chairman from among its members.

SEC. 4. The joint committee shall have power to appoint and fix the compensation of a clerk and such experts and clerical, stenographic, and other assistants as it deems necessary.

SEC. 5. The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman or the vice chairman.

SEC. 6. (a) The joint committee or the chief of staff of such committee, upon the approval of the chairman or vice chairman, is authorized to secure directly from any executive department, board, bureau, agency, independent establishment, or instrumentality of the Government information, suggestions, data, estimates, and statistics for the purpose of making investigations, reports, and studies relating to Federal grants-in-aid.

(b) The joint committee, or any subcommittee thereof, is authorized—

(1) To hold hearings and to sit and act at such places and times;

(2) To require by subpena (to be issued under the signature of the chairman or vice chairman) or otherwise the attendance of such witnesses and the production of such books, papers, and documents;

(3) To administer such oaths;

(4) To take such testimony, provided the cost of stenographic services in reporting such hearings as the joint committee may hold shall not be in excess of 25 cents per hundred words; and

(5) To have such printing and binding done as it deems advisable.

SEC. 7. The joint committee shall—

(1) Publish from time to time, for public examination and analysis, proposed measures and methods by which the Federal burden may be lessened; and

(2) Make a final report to the Congress of the results of its investigations, together with such recommendations as it may deem advisable.

When that study is made Congress will be able to see the original purpose of the programs, what they are now doing, what the impact has been, not only on the Federal Government as such but to the States as well. Having done that, we will be in a position to determine what of these programs should be continued, and to what extent; and where, perchance, we might be able to arrive at a situation where the Federal Government will no longer take so great a percentage of the tax fund and thereby leave more of these moneys within the States for the States to carry on such programs they desire and which they think is best for that State and their communities.

Returning, Mr. Chairman, to this deficiency bill, one of the things about which there was some discussion last week is the fact that we included $25,000 for furniture for the House of Representatives. That item can be explained by simply stating that the House had provided last year for additional clerk hire. If we are going to have clerks in our office, they must have facilities with which to work. Over in the superintendent's office they had a lot of old desks and old chairs, some of them 40 or 50 or 60 years old, which they had worked and reworked and worked again, trying to make them serviceable for the various offices, but all of that supply is gone. It was called to our attention that if these clerks are really going to function efficiently in your offices, as we hope they will, then of course they must have some equipment. Totaling up the number of requests which had been made, which the superintendent could not fill, we arrived at the approximate sum of $25,000 for the immediate purchase of equipment to go into the offices of the Members of this House.

Another point about which I have been asked some questions was the item relating to the language in the bill covering the Government Printing Office, authorizing them to buy new presses. Those are the presses upon which the CONGRESSIONAL RECORD and Digest are printed. Those presses are now over 20 years old. They have been running at high speed, almost continuously for the last 11 years. It will take 2½ or 3 years to have those new presses built, according to specifications, which means that by the time they are received the present presses will be so worn out and the expense of maintaining them and keeping them operating will be so great that this was a proper authorization.

What many of the public do not know, and some Members of Congress, is the fact that almost every year as a result of the operations of the Government Printing Office there is turned back into the Federal Treasury between three and five million dollars in excess of revenue over the expenses of operating the Office. This language does not call for the spending of any money from the Treasury, but merely authorizes the Government Printing Office to withhold $925,000 out of a proposed return to the Treasury of $3,000,000. All we are doing, in effect, is saying to them that inasmuch as they need presses they are authorized to keep out of the money they have made out of the operation of their Office an amount which is sufficient and necessary to buy the new presses.

Full discussion of this item can be found, if you care to read it, on pages 386 to 390 of the hearings on this deficiency bill. These facts justified the need of the new presses.

Mr. KERR. Mr. Chairman, so far as I know there are no further requests for time.

The Clerk read as follows:

For an additional amount for telegraph and telephone service, including an additional amount of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico, $131,400.

Mr. SCRIVNER. Mr. Chairman, against the language on page 4, lines 23 to 36, inclusive, reading:

For an additional amount for telegraph and telephone service, including an additional amount of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico, $131,400.

I make the point of order that there is no legislative authority for it.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard on the point of order?

Mr. KERR. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

Stationery (revolving fund): For an additional amount for stationery, second session, Eighty-first Congress, including an additional stationery allowance of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico, $131,400, to remain available until expended.

Mr. SCRIVNER. Mr. Chairman, against the language on page 5, lines 7 to 11, inclusive, reading:

Stationery (revolving fund): For an addition amount of stationery, second session, Eighty-first Congress, including an additional stationery allowance of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico, $131,400, to remain available until expended.

I make the point of order that there is no legislation providing for the expenditure.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard on the point of order?

Mr. KERR. The point of order is conceded.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

For an additional amount for "The offices of the Attorney General," and so forth, $24,000, of which $14,000 shall be derived by transfer from the appropriation for "Salaries and expenses, claims of persons of Japanese ancestry, 1950."

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire at this time to discuss briefly chapter III, page 6, of the bill which the membership will find set out on page 4 of the committee report. I do this in order to make a brief explanation to the membership of the committee because I have been asked to do so by a number of Members of the House who are not familiar with the fact that this chapter sets up the International Claims Commission which has to do with the settlement of claims that Americans of Yugoslavian ancestry have against the Government of Yugoslavia.

Through a treaty the Yugoslavian Government set aside $17,000,000 to satisfy these claims. The committee has been informed that the Yugoslavian Government has on deposit in this country approximately $40,000,000, much of it in gold. There are approximately 1,500 claimants. The committee has a list of those claimants.

Some of these claimants have claims in large amounts of money, some $10,000,000, some $3,000,000, and so on. I am hopeful that in the settlement of these larger claims the Commission will give serious attention to the many small claimants. The committee has been assured there will be no trading or transfer of title to these claims and that only those who are actually claimants will receive this money.

This Commission has not yet been set up. I am hopeful that when the President appoints the membership of the Commission which will adjudicate these claims no one who appeared in favor of this legislation, or who is directly or indirectly interested in them, will be appointed as a member of the Commission. I understand the names of a number of people have been submitted and that the appointments will not be made until appropriations have been made.

Mr. Chairman, this is only the beginning of the settlement of claims against foreign governments. I presume a commission will adjudicate prospective claims against other foreign governments at some future time. Among these will be claims against the Czechoslovakian Government which I understand will run from forty to sixty million dollars. There are also large claims against the Polish Government. I believe when these claims are all added up they will run to well over $100,000,000.

In order that the membership may have more information about the Yugoslavian claims, I include some discussion on the matter from hearings held by our committee:

CIRCUMSTANCES LEADING UP TO THE AGREEMENT WITH YUGOSLAVIA

Mr. STEFAN. The agreement between the United States and Yugoslavia, on this matter, was consummated on July 19, 1948?

Mr. HERMAN. That is correct.

Mr. STEFAN. Do you know what were the circumstances leading up to that agreement?

Mr. HERMAN. I have some background information on that; yes, sir. I happen to be one of the two negotiators for the United States Government in negotiating this agreement.

Mr. STEFAN. What were the circumstances? What brought about the agreement? Was it at the request of individuals or corporations that had lost property in Yugoslavia?

Mr. HERMAN. It was substantially this. After the Tito Government came into power in 1945, it commenced a series of nationalization measures which went on in various legislative stages from 1945 through early 1948. By early 1948 the Yugoslavia Government had nationalized virtually all property in Yugoslavia, all private property.

Mr. STEFAN. All real property?

Mr. HERMAN. All real property.

Mr. STEFAN. That is, residences, businesses, and so forth?

Mr. HERMAN. Yes, sir.

Mr. STEFAN. Do you know whether or not they paid the owners?

Mr. HERMAN. They had at the same time a compensation measure in which it was provided that there would be a local process in Yugoslavia for arriving at compensation. Their law distinguished between two types of taking. Certain of their takings they based on straight confiscation lines on the ground that the property owner was an enemy of the state or had been a collaborator during the German occupation and the property was taken as forfeit, as penalty. For the balance of the property that they nationalized, they did provide a compensation mechanism which meant that valuations would be made locally in Yugoslavia against dinars. That is to say, at some point which has not yet been reached, the Yugoslav Government would pay dinars——

Mr. STEFAN. Dinars being the dollar equivalent?

Mr. HERMAN. The local Yugoslav currency; yes, sir, for the value of these properties. This payment in dinars would be in the form of Government bonds payable over a period of years.

Mr. STEFAN. Now, the third step, which concerns the American property.

Mr. HERMAN. They took, in their takings—that is, they did not distinguish between foreign-held property and locally owned property. They took all property of whatever nature located within their physical boundaries.

Mr. STEFAN. There was no distinction between the compensation when they nationalized alien property?

Mr. HERMAN. No distinction whatsoever.

Mr. STEFAN. They paid them in dinars?

Mr. HERMAN. No one has been paid yet, to my understanding. But they did have a local remedy. An American could enter into the local courts, state his case, and hope to obtain the type of compensation that the Yugoslav law provided would be made ultimately.

The bulk of the Americans—in fact, all of the Americans—felt that this was not an adequate remedy. That is to say, they did not believe that they would be given justice in the Yugoslav courts under those circumstances.

Mr. STEFAN. Then, too, if they were paid in dinars, they could not bring them over here, could they?

Mr. HERMAN. Those dinars would be blocked in Yugoslavia under their foreign-exchange control and could not be utilized. So under those circumstances we felt that we had a legitimate international claim against Yugoslavia on the basis of established principles of international law, the main premise being that the local remedy was not effective, because it did not afford justice. Justice, under those circumstances, we felt to be adequate and just compensa-

tion. We also felt that compensation should be effective compensation. An American who obtained a promise of payment in dinars at some time in the future, dinars which he could not use in the United States, would not be adequately compensated.

So that we commenced diplomatic overtures to the Yugoslav Government based upon the principles of international law, in which the United States Government espoused the claims of these American nationals and made their claims its claims.

There was also another situation in which American property itself was specifically involved. That is, there are among the claimants the United States Government itself, concerned with the value of a plane that had been shot down and a jeep that had been taken. Those were very minor claims.

Mr. STEFAN. I was going to come to those claims later. But that was the only vehicle by which American business, active in Yugoslavia, could get Ameriacn dollars?

Mr. HERMAN. Yes, sir.

Mr. STEFAN. But that was true all the time, was it not? Is it not a fact that American business in Yugoslavia was never able to bring those dinars over here and exchange them for dollars? The only way that they had to expand their business or to get any dollars was either to take the dinars and construct additional plants over there with them—electric plants, or whatever they were interested in—or else buy rabbitskins or goatskins, things of that kind, and send them over here and get dollars in that way?

Mr. HERMAN. That is true.

Mr. STEFAN. I know of one case of an organization having some power plants in Yugoslavia, who went out of the goatskin business and bought sugar-beet pulp and shipped that sugar-beet pulp to Texas to feed cattle in Texas. It was the only way they had of getting dollars. So that we are really here bailing them out, are we not?

Mr. HERMAN. That is so.

Mr. STEFAN. Whether there was a war there or not; whether there was confiscation of property or not, if they were active over there today, they still would be up against their normal business procedure. And this is one way by which we are bailing out these people and getting them dollars where before they never could get dollars.

What I wanted to ask you is this: After July 1948, when we signed this agreement and Yugoslavia agreed to pay $17,000,000, when was the Commission set up?

Mr. HERMAN. The Commission has not yet been established.

Mr. STEFAN. Has any money been expended up to this time?

Mr. HERMAN. No money has been expended up to this time.

Mr. STEFAN. So you are starting from scratch and you are asking for an appropriation of $291,000 for what period of time?

Mr. HERMAN. For the remainder of 1950 and through 1951.

Mr. WILBER. Fourteen months.

Mr. STEFAN. You planned to liquidate this program in 1954; is that right?

Mr. HERMAN. No, sir; the law says that we shall not go beyond 4 years. But we plan, we hope, and our organization is designed for the purpose of completing this operation 2 years after the program starts.

Mr. STEFAN. So you plan to liquidate in fiscal year 1953?

Mr. WILBER. The close of the fiscal year 1952.

OVER-ALL COST

Mr. STEFAN. Can you give us an estimate of the over-all cost?

Mr. HERMAN. We hope to keep the over-all cost within the 3-percent limitation of $510,000.

Mr. STEFAN. That is an over-all cost of $510,000. The law provides that an attorney representing claimants shall receive not more than 10 percent in compensation and that that will be paid out of the awards that are made; is that correct?

Mr. HERMAN. Yes, sir.

Mr. STEFAN. Does not the law also provide that all of the expenses, including the $510,000 that you estimate it will cost to conduct this business will also be taken from the awards and it will not cost the Government one penny?

Mr. HERMAN. That is correct. The law itself provides that 3 percent shall be deducted, and we have kept our estimates within the 3-percent figure.

Mr. STEFAN. It goes further than that; does it not?

Mr. ROONEY. You do not expect to go beyond the 3 percent, I hope?

Mr. STEFAN. I want to know if it is going to cost the taxpayers any money.

Mr. HERMAN. No, sir; not on our proposal. It would be entirely liquidated out of the 3 percent.

Mr. WILBER. I think for the record we ought to set forth clearly, however, that the 3 percent is not a legal limitation on the amount that may be expended to adjudicate these claims. The law merely provides that 3 percent shall be deducted.

Mr. STEFAN. Under the act it is deducted from the amount of each payment made pursuant to subsection (c) of section 8 as reimbursement for expenses incurred by the United States; it says that that amount shall be equal to 3 percent of such payment. Is not that conclusive?

Mr. WILBER. It is conclusive as to the amount that shall be deducted from the awards made, but it is not a specific limitation on the amount of the administrative cost of adjudicating the claims.

Mr. ROONEY. Whether it is conclusive is left with the Congress?

Mr. HERMAN. That is right.

Mr. ROONEY. I can say that it was the intention of Congress that no moneys be paid out of the Federal Treasury, for which tax revenues must be raised, in order to adjudicate these claims.

Mr. STEFAN. You say there is not going to be any money paid out of the taxpayers' pocketbook. That is the opinion of my chairman, and I am going to back him up, for the reason that in this matter we are bailing out these people and enabling them to get dollars where normally they would not have been able to get dollars.

Mr. WILBER. I believe the law provides, Mr. Chairman, that if the cost does exceed $510,000—I assure you we are planning to live within it—it would be paid out of the $17,000,000 and would not come out of taxpayers' money, in any event.

Mr. STEFAN. I believe there is something in the law that says that.

Mr. ROONEY. To clean this up right now, that would be so, provided there is some part of the $17,000,000 left.

Mr. HERMAN. That is correct.

Mr. FLOOD. What would be so?

Mr. HERMAN. The balance of the administrative cost.

Mr. STEFAN. Certainly we should not leave the record clouded. We want to be certain that we are not going to have to take any taxpayers' money in addition to the $510,000 which you are planning to spend. And I hope you will spend less than that so that some of it may revert to the Treasury.

Mr. HERMAN. There is this contingency that is provided for in the executive agreement and that is that if there is any reverter left to Yugoslavia—that is to say, if the claims, let us say, are adjudicated to an amount of only $16,000,000, to use a round figure, and there is $1,000,000 left over, that has to be returned. And if there is any cost of adjudication that is not borne by the claimants under the 3-percent deduction, that will be deducted from the balance before any amount is returned to Yugoslavia. The Yugoslavs have agreed to that.

Mr. STEFAN. According to this act, payments shall be made only to the person or persons on behalf of whom the award is made, but there are some exceptions. Are there any loopholes here, may I ask the witness, under these exceptions, whereby some of these claims could be transferred to another person?

Mr. HERMAN. No. These provisions have been tested in the provisions of law with respect to the Mexican Claims Commission Act, and they simply provide for technical contingencies where the person whose property is taken is dead, so that payment has to be made to his heirs and where partnerships or corporations own land, or where there are receivers and trustees, and so forth, the only exception as to an assignment is not as to an assignment of the claim, but an assignment of the award. That is, the Commission awards $1,000 to X. He has assigned that award to somebody else; not the claim, but the award.

Mr. STEFAN. I believe that is what the chairman asked you, whether there is the possibility of an award being assigned to somebody else.

Mr. HERMAN. That contingency is treated in paragraph 5 of subsection (c) of section 7.

Mr. STEFAN. I read that.

Mr. HERMAN. But in the event of such an assignment it is within the discretion of the Secretary of the Treasury whether he shall pay the award.

Mr. STEFAN. There is also a check in the Comptroller General; is there not?

Mr. HERMAN. Yes; the Comptroller General.

Mr. STEFAN. The Comptroller General has a double check on that. So you are pretty sure that the possibility of assigning this money to some other party is pretty well plugged up?

Mr. HERMAN. I believe so.

Mr. STEFAN. Of course, there can be other contracts made individually over which you would have no control?

Mr. HERMAN. Precisely.

Mr. STEFAN. As to these fliers who were shot down by the Yugoslavs, those claims were separate and apart from these we are discussing now?

Mr. HERMAN. Their claims have been paid. The Yugoslavs paid $150,000 to the families of the five fliers. That money was distributed in 1946.

Mr. STEFAN. Was that the total amount?

Mr. HERMAN. $30,000 apiece to five fliers. That has been distributed. The only circumstance of that incident that is involved here is the plane itself.

Mr. STEFAN. The claim for the plane itself is in here?

Mr. HERMAN. Yes, sir.

CERTAIN LARGE CLAIMS

Mr. STEFAN. What is the largest claim that you have?

Mr. HERMAN. The largest claim we have is the claim of Standard Oil Co.

Mr. STEFAN. How much is that?

Mr. HERMAN. It has not been completely formulated and I would like to speak accurately on this.

Mr. STEFAN. Will you give us an approximate figure?

Mr. HERMAN. The claim is between $7,000,000 and $10,000,000.

Mr. STEFAN. That leaves only $7,000,000 for other claimants, does it not?

Mr. HERMAN. If that award is made.

Mr. STEFAN. How many other large claims are there in the total of 1,500? You say they average about $1,000?

Mr. HERMAN. That is a very rough guess.

Mr. STEFAN. How many other large claims are there? You have said you had one of $10,000,000 approximately. How many do you have that run $1,000,000 or more? How many do you have that run $500,000 or more? Can you give us that information? Are there any other large claims, such as that?

Mr. HERMAN. Not that large. There is a claim of a public utility that is stated as being close to $3,000,000.

Mr. STEFAN. Who is that?

Mr. HERMAN. That is the Yugoslav Electric Co.

Mr. STEFAN. Is that the one that I referred to awhile ago?

Mr. HERMAN. I believe so.

Mr. STEFAN. Mr. Becker was the head of it over there?

Mr. HERMAN. Yes, sir.

Mr. STEFAN. That was approximately $3,000,000. So here you have two claims of $10,000,000 and $3,000,000. That does not leave very much to the others. The others would have to be very small claims.

Mr. HERMAN. They are.

Mr. STEFAN. Is it going to take some time to fool around with these very small claims? Why could you not just go out and check them and be done with them? Do you have to go to Yugoslavia and actually look the property over?

Mr. HERMAN. That is right. We have some very large lawsuits on the basis of the Standard Oil claim, and other large claims that we have to litigate very closely.

Mr. VURSELL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to compliment the gentleman from Kansas [Mr. SCRIVNER] for raising a point of order against the additional amount of $131,400 to be provided for Members of Congress for extra telephone and telegraphic expenses; also for raising a point of order against the allowance of $300 each for Members of Congress for additional amounts of stationery.

This is a small amount. It only amounts to $261,800, but it puts the Members of Congress in a position that I think they should not be put in. I think it is up to the Members of Congress to set an example of economy when it comes to dealing with themselves, because under the Constitution it was debated at length that it was dangerous to give the Congress the power to set its own expenses and salary.

With all of the criticism of the Congress for the past 165 years, I think the Members, past and present, should be complimented for not having been extravagant in fixing their own salaries, because with all that power they have raised their salaries to only $12,500 a year, much less than is drawn by the average man in business who would have the capacity of a Congressman and, of course, much less than a Congressman should have.

I am old-fashioned enough, however, to believe that men who come to Congress ought to come here, at least in great part, in an effort to render a service to their people and for the honor of having been selected as one of the representatives of a congressional district to represent them in the greatest legislative body in the world. I am glad the Congress took this step today, because we have got to be careful about keeping our own house in order.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from California.

Mr. HINSHAW. I would hate to disagree with my good friend from Illinois. If he does not need to use some of this money, that is quite all right with me, but I live in a district that now has a registered voter list of 329,026, and if the gentleman thinks that my office can get along on the stationery allowance and the telephone and telegraph allowance that is presently provided for, he had better have another think. I think we ought to take these things into consideration when we think of those Representatives who have large districts such as mine to handle. We simply cannot get along on the allowance presently available. Two or three years from now my district will be divided up into two and one-half or three districts, and in the meantime I serve that district and I cannot get along on the allowance provided.

Mr. VURSELL. I shall be very glad to say to the gentleman that I have not used, inasmuch as he referred to it, over 50 percent, if that much, of my telephone and telegraphic allowance, and I often find that I can send an air-mail letter for 6 cents and save a $5 or $10 telephone bill. I should also like to point out to the gentleman from California that I represent a district of 350,000 people, and again I say that men who serve in the Congress of the United States ought to expect to make a sacrifice when they come here. I do not want to be personal, but I may say I have made some financial sacrifice in the last 7 years; however, I am glad to have made it for the opportunity it has given me to try to render a service to the Nation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to point out to the gentleman from Illinois that I did not say there were 329,000 people that live in my district, or 350,000. I have a registered voter list, if you please, of 329,026, which means a population of close on to 1,000,000, which is a greater population than is to be found in several States of the Union put together.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Illinois.

Mr. VURSELL. I want to compliment the gentleman from California. I am perfectly willing to admit that he probably needs a greater allotment than many of us in Congress do. May I say further that it probably works a hardship on him and some of the other Members, but it is not the first hardship that has been suffered here.

Before I take my seat, I want to compliment the gentleman on being one of the most able and conscientious and one of the best Members of this Congress. I say that sincerely. He makes a great contribution.

Mr. HINSHAW. I think the gentleman ought not to go to such an extent on my time, but I thank him for his kind remarks.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I think the gentleman from Illinois should be complimented on being able to send an air-mail letter for 5 cents when the legal rate is 6 cents.

Mr. HINSHAW. Yes; he ought to be.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from New York.

Mr. KLEIN. Does the gentleman think it is possible to use those words of praise in sending out letters and in taking care of his constituents, or does he feel that he needs the money?

Mr. HINSHAW. I would be glad to answer that. In the first place, this telephone and telegraph allowance should be on a mileage basis just as the transportation is. The farther away from Washington our districts are the more it costs to send one message, either by telegraph or telephone. Those of us who live on the Pacific coast are really up against it when it comes to the telephone and telegraph allowance, with the relatively small amount of money that is provided.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Is it not true that the telephone and telegraph allowance we have is made available until expended? If it is not expended it reverts to the Treasury. Therefore, if the gentleman from Illinois does not use his entire allowance, the balance goes back to the Treasury. The people who live farther away than he does, such as the gentleman from California and others on the west coast, use their allowances in 3 or 4 months, and then have to pay those expenses out of their own pocket.

Mr. HINSHAW. That is exactly correct. We are today paying those expenses out of our own pockets. This has nothing to do with the sacrifice my friend from Illinois talks about, in taking a far smaller salary than most of the Members of the House could obtain on the outside. I am perfectly willing to make my sacrifices along with the rest of you, but I do not think we ought to be called upon to pay the expenses along with it. That is going a little bit too far. I want to do my job for my people the best way I can. They are willing to pay the necessary expenses of this office I hold, to conduct their business properly. I hold that the House of Representatives should enable itself to do the business of the people of the United States in the very best possible way, in the way they deserve. If some gentlemen may save money, please permit those of us who live at a great distance to do our business in the same way that you who live nearby can do it for the people of the nearby States. This is a very great burden upon us. We do our utmost, but we ask your consideration for those of us who live, let us say, beyond the Mississippi River. It is very difficult for us.

The Clerk read as follows:

FOREST SERVICE

SALARIES AND EXPENSES

Fighting forest fires

For an additional amount for "Fighting forest fires," $6,677,000.

Mr. ASPINALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: On page 20, after line 9, insert the following: "for an additional amount for combating infestations of bark beetles in national forests and national parks, $3,620,000."

Mr. ASPINALL. Mr. Chairman, I am taking this time in support of my amendment to bring before the Committee the situation which exists in several of the States of the West relative to insect infestations now prevalent in the spruce and pine forests of the Rocky Mountain States in particular. It is rather difficult for me in my first appearance to offer my amendment and appear before the Committee as I am in this rather unorthodox manner, but may I advise the Committee that with my colleagues from the West I have made appearances before the subcommittee on two different occasions presenting the request and the necessity for the money which is desired. I wish also to thank the distinguished chairman of the Committee on Appropriations, the distinguished gentleman from Missouri [Mr. CANNON] for giving me time when the bill was before the House some time ago, in the consideration of the conference report on the first urgency appropriation bill, to make known that we would be given a hearing before the subcommittee when the bill now before us was there being studied.

I can appreciate the fact that the economy of the country, being what it is, there is a tendency to hold down these appropriations as much as possible. I have gone along, as the Committee on Appropriations knows, on practically everything they have placed before the Congress. However, I sometimes think there is a tendency for us to become penny-wise and pound-foolish. I believe that is the situation in which we find ourselves relative to consideration of appropriations for our forests of the West.

I do not appear before the Committee today asking for funds for my particular area and placing this on a more or less sectional basis. I speak for the whole country. I speak for the citizens of the United States who have an interest in the problem which we have presented in this amendment. In the Fourth Congressional District, just so that you will have a picture of the situation in my home district, I point out that there are 43,089 square miles of territory. There are 29,417 square miles of Government-owned territory. In other words, my district, so far as ownership of land is concerned, finds itself largely under the absolute control of the Federal Government.

In that area we have 15,213 square miles which are under the control of the national forests. In other words, one-third of my district is made up of national-forest lands. On those national-forest lands the timber is 60 percent native spruce. When the matter was first before the committee, it was said that the value of the property to the United States, as far as the timber was concerned, was in the amount of something like $20,000,000. That was figuring the timber at 75 cents a cord. But since that time there has been sold by the United States certain of this timber to private interests, at the rate of $3.10 a cord. So it now appears that the value of the spruce timber just for pulp-paper purposes, is over $100,000,000. It seems to me, with that in mind, the United States should be interested enough to protect its property.

There are 1,031 square miles of State-owned lands in my district. There was a question raised in the committee relative to the necessity for the State doing something in this matter. When one learns that there are 15 times as much forest land belonging to the Federal Government as there is such land belonging to the State government, it appears to me that, after all, it is primarily a Federal question, and secondly a State question.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. ASPINALL] has expired.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ASPINALL. Mr. Chairman, those are the values of the property concerned.

Looking at it from another viewpoint, that has to do with the watersheds of the United States, most of the great river basins west of the Mississippi River rise in my State. Seventy percent of all the water in the Colorado River rises in the Fourth Congressional District of the State of Colorado. The people of California, who are entitled to almost one-third of the water of the Colorado River, should be interested in this problem also, for the simple reason that if these forests are destroyed, the watershed, to a great extent, is also destroyed. Most of use realize the fact that the snows of the winter stay on the tree areas many weeks longer than on the barren lands. If we do not have green trees flourishing, then the snow melts rapidly, forms floods and carries the sediment down the river, and before one knows it, our reservoirs in the areas along the Colorado River shed especially, are filled with silt, and the time of their usefulness is thereby shortened.

From a recreational standpoint, most of us think of this great area of the West as an area in which to play and to hunt and to fish. Yet, when one realizes that it is very easy for an entire mountainside to become desolated through infestation by the spruce beetle, he finds that our hunting grounds are destroyed and the opportunity for an even flow of water in the trout streams is lost. It is not a very beautiful place to play.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. BARRETT of Wyoming. I want to compliment the gentleman for his splendid statement and I shall support his amendment.

The spruce beetle has attacked the forests of New Mexico, Colorado, and Wyoming, and is presently destroying much of the scenic beauty in the snowy range country in southern Wyoming and northern Colorado. I want to call attention to the fact that perhaps the most scenic spot in all America in Grand Teton area in the Jackson Hole is being attacked by the pine beetle at the present time. This pest also is attacking the pine in the Yellowstone National Park. The loss to the Nation from a scenic standpoint is incalculable. It seems to me that it is not economical by any stretch of the imagination to let that much of that scenic spot in America be destroyed because of a lack of funds. While I am on my feet let me say that funds should be appropriated to fight the grasshopper plague in this same general area. The Bureau of Entomology and Plant Quarantine reports to me that if funds are provided in the regular appropriation bill that the program can be carried out after July 1.

Mr. ASPINALL. I thank the gentleman from Wyoming for his contribution.

The question has been asked, Why has not something been done about this before? In reply let me point out that it is just within the last year that research men interested in this problem have found the spray necessary to stop the beetle infestation. They mix a combination of orthodichlorobenzine and fuel oil. This has been found to be very successful in the Teton-Targhee area. They have made the statement that it is absolutely successful in combating the beetle which works through the outer bark, eats the cambian layer, lays eggs, and then falls to the ground. I understand that the larvae hatching from the egg do the serious damage. The reason this is so important at the present time is because the beetle has destroyed the White River National Forest. It is thought that the Rouff National Forest is lost, as the infestation cannot be stopped in this area. The beetle infestation is moving now to the southeast into the Holy Cross National Forest. If it gets into the Holy Cross National Forest it will go into the remaining forests of the State. There are 12 national forests in the State of Colorado, 11 in the district which I have the honor to represent.

I believe, Mr. Chairman, that the expenditure of this money, regardless of what the report of the committee states, can be made effective; and I assure the Committee and the Committee on Appropriations which worked so diligently and so successfully that if this money should be spent and it proves to have been spent in vain and does not do the job that the Forest Service promises it will do, you will never find me back here asking for a like appropriation for this sort of work.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to support my friend and colleague from the western slope on the addition of $3,620,000 to chapter 6 on page 20, line 9, of this bill. The reason I do so is that I happen to know exactly what this spruce beetle does to these trees; in other words, it is the end of the forests; this type of forest is totally and completely ruined. It simply means, therefore, that in those forests where the beetle is working the

spruce and pine trees are destroyed and new growth must be cultivated.

This forest does not belong to the gentleman from Colorado who so ably represents the Fourth District; it belongs to these United States, it is a part of our total land area. It is just as much a part of the State of Massachusetts or the State of Pennsylvania as your own district is part of your own State.

How anyone on the Appropriations Committee can come to any other conclusion than that they are appropriating funds for their own districts and for their own States by protecting the forests of the West is something I cannot understand.

We sometimes have a peculiar way of looking at the problems existing in the West. Some of my friends here think that our problems out there are separate and distinct from theirs, but this is not true in any sense of the word.

Once these great forests are destroyed, your watersheds are in a state of total destruction. The cities that get their water from these watersheds, the farmers who get water for their irrigation districts from these watersheds all suffer from this destruction.

One of the points that we should keep in mind and study carefully is the problem of how to protect our forests and our watersheds. All you need to do to realize the seriousness of this problem is to drive around the territory close to our capital. Being interested in agriculture I have driven over the State of Maryland a number of times. My friend from Ohio [Mr. CLEVENGER] and I traveled over in Italy. We looked at the land and we went over some of the farms in Italy and in France and other places as well. The gentleman likes to quote me when I said that I would not give 5 acres of good land in the State of Colorado for the entire section of the country we traveled through.

Why is this true? Because they have allowed their forests, especially in Italy and France, to be totally and completely destroyed. The Germans have had more sense in this respect. In flying over a large part of Germany—I say this to the credit of the Germans—we observed that they have protected their forests. When you fly over the forest area in Germany you will note that those forest areas that have been destroyed by blight or having been burned over have all been reforested. They have carefully planted and are cultivating young trees all through that area.

Over here we have not even started to take care of our forests as some of the European countries have done. Of course, when you get into Italy they have not done it, and when you get into France you do not notice any forest improvement.

The floods that we have been reading about in Winnipeg, Canada, the floods you have on the Missouri and Mississippi Rivers, can be traced in large part to the destruction of our timberlands.

Mr. Chairman, I ask the committee in justice to the great forests of the West, not to the people who live in the West, but in justice to the people of all the United States, to accept this amendment. We from Colorado appeared before the committee and asked that this amount be included in the deficiency appropriation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that in Italy some of the destruction of forests over there may be attributed to the human parasites that control the land and refused to reforest?

Mr. HILL. Yes; and that is what is going to happen over here unless we take care of our forests. We ought to take care of all of the forests. We should take care of the bark beetle and we should take care of all insects that are destroying our forests at the present time.

Mr. D'EWART. Mr. WHITTEN and gentlemen, I wish to add my support to the program of controlling the forest pests and diseases which threaten large stands of timber in the West.

The present forest resources of the United States, though of vast extent, are little enough when one considers the tremendous demands for timber which our civilization has developed. We have a serious responsibility to administer our forest resources in a manner which will yield the best possible supplies of timber for future generations as well as our own. We cannot afford to let any of this valuable resource be wasted or destroyed if it is within our power to stop such destruction.

Mr. BARRETT. I appreciate the opportunity to be heard Mr. Chairman.

Wyoming has a trifle different problem from Idaho and other Western States, because we have two kinds of insects attacking our forests. We have the spruce bark beetle that is attacking the spruce in northern New Mexico, all of Colorado, and in southern Wyoming, in portions of the Medicine Bow National Forest. It is one of the beautiful spots in the West. The Snowy Range in the Medicine Bow Forest is one of the scenic spots in Wyoming.

About 42,000 trees in that forest are being attacked by the spruce bark beetle. In addition, as my colleague, Mr. Sanborn, has indicated, the pine beetle is attacking the lodge pole pine in Idaho and in the Jackson Hole country. It is a distinct threat to the fine stands of timber in the Yellowstone National Park, and in the Teton National Park as well as in the Jackson Hole country. To my way of thinking, that area is the most beautiful scenic spot in America.

I appreciate the situation facing this committee. I know you are trying your level best to effect economies wherever they can be brought about. However, I simply want to point out to you that these lands were reserved by the United States 50 years ago. They were reserved for the protection of our timber and water resources. They are of strategic importance not only to Wyoming but to other Western States that depend for their water supply from the snowfall on the great transcontinental divide that crosses Wyoming and in which these forests are located. The tourists, recreation people, and sportsmen use these areas for their enjoyment.

Thousands of acres of beautiful pine trees are being destroyed because we have not carried on an all-out attack on these pests.

Now, the Forest Service has perfected a method of attacking this problem in a successful fashion, and, if funds are provided now, they can control the situation, and thousands upon thousands of trees can be saved.

I am not in a position to argue the point as to the cost of controlling an individual tree. All I am saying is that 42,000 trees in the Medicine Bow Forest can be saved if they get a relatively small amount of money.

So, Mr. Chairman, I want to urge with all the force that I can that since these lands belong to the United States, that the United States has a responsibility to that property for the benefit of the people of the whole country, not alone the Western States.

I know there was a request here for $4,500,000. This committee recommended the appropriation of some $750,000 for the budworm attacking the Pacific Northwest. I hope the committee will give very careful consideration to an appropriation for the pine beetle attacking the lodgepole pine in western Wyoming and Idaho, and also an adequate amount to carry on an all-out campaign against the spruce bark beetle in New Mexico, Colorado, and southern Wyoming. These insects are striking a hard blow at the most scenic area in America.

Mr. SANBORN. Thank you, Mr. Chairman. I certainly appreciate this opportunity to have a little time with the committee. I feel the subject matter that I have to present is of vital importance not only to the West, to Idaho and that vicinity, but to the entire Nation.

Our Federal forests are definitely on the decrease, and every effort should be made to protect what we now have. As I stated when the first deficiency was before the House, the case of protecting our forests against insect pests is quite similar to the action of the farmer who is taking care of his crop. If he does not do a good job of taking care of his crop, he is not only a detriment to himself, but he is a detriment to his neighborhood and to his country. It is the same way with the Government's protecting its resources, especially a resource of this character which would take many, many years to recover, at a great deal of expense and waste of time.

The first deficiency, as I understand it, carried an item of $750,000 which was allocated to the fir budworm which is bothering timber in Oregon and Washington, but nothing was included for the protection of the pine, to take care of the pine beetle in northern Idaho and the lodgepole pine around eastern Idaho, close to the Yellowstone National Park, including the park and part of Wyoming, and in that vicinity.

A sum of $250,000 is needed to take care of the white pine infestation and around $270,000 for the lodgepole pine in the vicinity of the Yellowstone Park. I know it was suggested at that time that the Bureau had some money that could be used for that purpose if they so desired. However, as I understand it, they need this sum in addition to what they now have in order to do a complete job.

In treating a forest infestation of this character, it is absolutely necessary to do a complete job, or the money is just wasted. So it is necessary to set up a sufficient amount of money to cover it.

This is not only a matter of protecting the commercial value of the timber, but it is a protection, especially in the Yellowstone Park area of scenic values, which is of very great value in that territory and also, of course, in the other timbered sections.

Timber destroyed by this infestation will not only be unsightly, but it will greatly add to the fire hazard, and there are many things to be said for this appropriation and the need of it now. If the infestation is permitted to go for another year, large quantities of valuable timber will not only be destroyed, but much of the value will have been lost and the infestation will become so much more widespread that it will be harder to combat.

I certainly want to urge the committee to consider those items very carefully in writing up this bill. There are many places, of

course, where we should be economically minded and many places where we can cut the budget without any great harm; there are many appropriations, no matter how desirable, that can be eliminated or delayed without any bad effects, but this is one place where we either take care of our forests now, when they need it, or we are going to lose a large quantity of valuable timber.

We have around $22,000,000 worth of federally owned white pine in northern Idaho that is one of the finest bodies of white pine left in the whole United States, and certainly it should be protected.

Mr. CARROLL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the amendment offered by the gentleman from Colorado [Mr. ASPINALL] is of tremendous and immediate importance to forest lands and national-park areas located in four States of the West, Colorado, Wyoming, Montana, and Idaho. Unless this body takes favorable action on the pending amendment, great damage will be done, not only to these areas within the four States but eventually will include the whole of the West.

I fully understand what a difficult task we have set ourselves to by offering this amendment. We realize full well that we shall probably be unsuccessful in this effort. Nevertheless, we must bring to your attention, again and again, the extreme importance of the problem which confronts us. It is imperative that you understand what has been happening to your timberlands in the West. I emphasize that these are not all State lands, but mostly Federal lands. This is the property of the Nation, and while Congress fiddles, miles upon miles of fine timberlands are being destroyed by an epidemic of bark beetles. All of the experts are agreed that we have at last developed a chemical which, if quickly applied, will end the beetle epidemic which threatens vast areas of spruce timber.

There is really nothing new to the program of attempting to control pests which infest our forests. As a matter of fact, the intent of Congress was strengthened by the passage of Public Law 110 by the Eightieth Congress in 1947. It is true that the Forest Service did not ask for an appropriation in the Eightieth Congress to control the beetle epidemic in these areas. It is to their credit that they did not make such a request. The reason given was that the method of control at that time was so costly the Forest Service was reluctant to venture upon such a broad and expensive program. However, a few months ago, in cooperation with the Bureau of Entomology and the Research Branch of the Department of Agriculture a new and relatively economical method was discovered. In short, it was learned that this beetle, which is so deadly to Engelmann spruce trees now can be controlled by spraying a certain chemical throughout the infested area. That is the reason the Forest Service now requests this appropriation, in order to effectively and economically combat the beetle problem.

How will this appropriation be used? I am reliably informed that it will take the full capacity of certain chemical plants in New Jersey and Michigan to meet present needs within these four Western States. Actually, carloads of insecticides need to be shipped into these areas. At least a thousand men will be employed during the summer months and until the snow falls to do a proper job. It is estimated that the cost of spraying will approximate about $4 a tree. The significant factor, however, is that for an expenditure now of a little over $3,000,000 there will be a saving to the Nation of approximately $100,000,000. To put it another way, if we do not stop this epidemic, the beetles will continue to kill thousands of trees, resulting in a financial loss to the Nation of $100,000,000. Moreover, as miles and miles of these trees are destroyed, great fire hazards are created, the scenic beauty of your forests and national park lands will be forever destroyed, and, last but not least, there will have been created a watershed situation in these great mountain areas destructive of topsoil, resulting erosion, and a wasting of water which is so precious to both these areas and other sections of the West, including California.

Now what is the legislative situation with reference to our request for increased apropriations for this program? In a previous appropriation bill the other body, after careful investigation, approved an appropriation for the specific purpose hereinabove outlined. Tragically and unfortunately that sum of money was stricken by the House conferees. The purpose then of this amendment is to urge upon this subcommittee of the Appropriations Committee their approval to this amendment and if they do not approve, we request the members of this body to sustain our position in support of this amendment.

Let me say this to the gentleman from Mississippi [Mr. WHITTEN], and I want him, please, to bear with me. Action on this amendment is so important that in the event this or the other body fails to act within the next few days, even this sum requested will come too late. I am reliably informed by experts that this work must proceed not later than June 15. The beetles soon will begin to swarm, taking wing, spreading deeper into the timberlands of our West. It has been said they swarm as far as 25 to 30 miles. From this surely it can be appreciated that if we do not act quickly, it will be idle and useless to talk about an appropriation. If we do not begin immediate spraying of these infected areas and employing of these men by June 15, it will be just too late.

In discussing this amendment with forestry officials this morning, I repeat, I was informed that unless they have some assurance this money is forthcoming within the next few days, even if we appropriate the sum several weeks from now, they have said, "We will refuse to spend the money because it will be a great waste and will be of no use to your lands in the West."

Ladies and gentlemen, if each of you could have had the opportunity to see the photographs of these infected timberlands which were delivered to my office recently, there is no doubt in my mind that you would vote overwhelmingly with us in favor of this amendment. Reluctant as I am to find myself in opposition with my friends and colleagues on this subcommittee, I cannot and do not agree with the position which they have taken. They clearly do not understand the magnitude of this problem, nor the great damage which will result if they are successful in blocking approval of this amendment.

In conclusion, I should like to suggest that even though this amendment be rejected in this body today that the conferees on the part of the House give earnest, sincere, and favorable consideration to any appropriation which may be approved by the other body concerning beetle eradication.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one of the unpleasant parts of this job we have in trying to handle these matters on a national scale is that we have to differ with our friends on occasion. All of us know and appreciate the problems close to us. There is nothing wrong with that. That is where we live, it is where we know the people, and where they tell us about the problems. I make no criticism of my good friends. I wish it were possible to agree with them fully in this instance, because we would like them to have their way; but we on this committee do have the responsibility of trying to determine what is best to do and how best to handle these requests for appropriations.

From the discussions, you would think the Federal Government made no effort to save the forestry of the West and the rest of the country. Why, we spend more than $35,000,000 all told on forestry. I wish we could spend more, but there is a limit beyond which you cannot go. We have this problem in Colorado, and we have it in other areas. We have pests throughout the United States. This year's appropriation for the Department of Agriculture was $742,000,000, and I dare say that entire amount of money could be spent in the United States if we set out to control all pests. But we cannot spend all the money on that and that alone. We have to try to strike a balance.

According to the statement of the Department, this pest has existed for 10 years. They tell me here today that unless we do something in 2 days the horse will be gone, and I am sure they told my friend from Colorado that, but I cannot agree with them.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Colorado.

Mr. CARROLL. The gentleman's remark is absolutely true. This pest has existed for 10 years. Up in Montana and in various areas of Colorado miles and miles of Engelmann's spruce have been destroyed. Only recently, and I think the gentleman will agree with me, have they found a chemical to combat it. Is not that so?

Mr. WHITTEN. That is the statement made to the committee in 1949.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman has made a statement of fact. We on the Committee on Appropriations cannot jump over the cliff just because somebody gets excited about some little thing in his particular territory. All we on our subcommittee are asking is that we have time to investigate it, and that the Budget in turn investigate it. If the thing is meritorious, they can go through the regular channels and then come before us next January with whatever is needed, and we certainly will do whatever is right by it.

Mr. WHITTEN. I thank my friend from Minnesota.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Did the committee take into consideration the gypsy brown-tailed moth that infests the northeast part of the country?

Mr. WHITTEN. That was appropriated for in the regular appropriation.

This is something I should like to point out, and it is the chief fault that I find here, and this does not have to do with my associates and colleagues in the Congress. The Bureau of Forestry testified before the committee this year that they could well use and would like to have an increase of about 90 percent in their last year's appropriation, notwithstanding the financial situation of the country now. If you will let any department come up in a deficiency bill and ask for additional money, you can get their approval of nearly anything, because they can honestly show you how they could well use the money. But if you let them get it in a deficiency bill, we have no yardstick, we have no post against which we can judge this request. If you let them put it in an additional request, they have nothing to lose. They either get the money or they do not.

We have requested in our report that our investigators go see what the story is and come back and tell the committee. I say to my friends from Colorado, and there are no abler men in the House of Representatives nor anyone for whom I have a higher regard, that this is not to get around their proposition. We are sincerely trying to find what the facts are. But we have learned that if the Department of Agriculture comes up for a deficiency request, you cannot judge the facts submitted as effectively as you can if they bring it up in their regular request for appropriations, where you can say, "Now, which of these is the most important? Which do you think needs to be done now?"

It is very noticeable here that while they state they found this new chemical in 1949, their request did not come in the regular bill, where we might have said, "We are going to give you so much money; out of that you do this." They put this in the deficiency bill. They do say that this pest has been out there for 10 years, and that in 1949 they found a cure. They want to spend about $3,600,000 doing the job of treating individually more than a million trees. I believe they can test it on a little smaller scale than that. Certainly every effort should be made to handle the problem by selective logging or contract. Do you not agree with me?

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi be permitted to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. Is it not true that in addition to the Bureau of Forestry other groups, the American Forestry Association among them, have testified before the committee about the vital necessity for immediate treatment of this problem?

Mr. WHITTEN. The gentleman is eminently correct. As long as I have been a member of the Committee on Appropriations, and I have been on this particular committee about 6 or 7 years, I have never found them at any time coming up and saying that something was not needed. I do not say that in criticism, but the Forestry Department itself told us that they asked the Department of Agriculture for practically a 90-100 percent increase in their appropriation because the problems they have were so great. I mention that just to show you how they can spend millions and millions more. But the question is how much can we spend and how can we best spend it?

Mr. CARROLL. I can assure the gentleman and the members of the committee that this is not something that has been conjured in the minds of the Forestry Department. It is a vital issue in the West and all the people understand it, not only in Colorado, but in Wyoming and in Idaho and Montana as well.

Mr. WHITTEN. I agree with everything that the gentleman has said. The pest exists. It is a problem. It is something that should be handled. But I say it is very noticeable that the Department did not include this in its regular bill. They put all these other things ahead of this particular item. It is difficult for us to tell how really serious it is when they put it off to the side and present it this way, where they either get it or do not get it. I say for the orderly operation of the Government, if this has existed for 10 years, a few months will not hurt too much. Then they can put it in their next regular bill. Thus, perhaps a couple of million dollars will be saved and it will not hurt. We have asked for this investigation to be made. We are going to be interested in the results of that investigation and we are going to try to do what we think is right.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. BARRETT of Wyoming. I would like to correct a couple of apparent misunderstandings. In the first place, the committee should know that the Bureau of the Budget did send up a request for this item last January. So this matter has gone through the regular channels. The matter is wholly in order and is just as much in order now as it will be next January, may I say to the gentleman from Minnesota.

In the second place I think it is only fair to say that the Forest Service has carried out its experiments quite some time back and that now it is prepared to carry out an all-out attack on this pest. If anything is going to be done to stop this infestation this year, it must be done here and now.

Mr. WHITTEN. I cannot argue with the gentleman about this being in order. It is in order for you to increase all the appropriations. Last week you were trying to reduce appropriations. I am just telling you the basis on which the committee acted. I have no personal interest here one way or the other. We have done the job according to our best judgment and we are telling you the basis of our decision. We do not know and we are directing an investigation in order that we may know more. Having related to you these facts, we are glad to abide by the decision of the House.

Mr. MARSALIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I favor the approval of the amendment which my colleague, the gentleman from Colorado [Mr. ASPINALL] has offered, and am in full accord with the arguments which he has so ably presented. I am also in full accord with the statements which my other colleagues from Colorado [Mr. CARROLL and Mr. HILL] have made.

I feel as they all do that this is most certainly a case in which "Time is of the essence." The longer that action is delayed regarding these beetles that are destroying the forests of the West the greater will be the irreparable damage that will result. It is bad enough when we have an epidemic of insects in the West, such as the grasshopper plagues which we have experienced on one or two occasions, which destroy growing crops. Crops, however, are annual and will grow again the following year so that with precaution the damage can be prevented or minimized the following year. With forests it is different as trees of the kind which are being destroyed certainly cannot be grown in 1 or 10 or 40 years, and in some cases as much as 80 and 125 years.

As has been pointed out the damage which will accrue if these forests are allowed to be destroyed will not only be to the forests with their scenic beauty but also to the great watersheds of the Nation as well. Without the trees to hold back the snow and water so it can be gradually released into the mountain streams flood problems would be greatly increased. Silt will be washed down in great quantities helping to fill the reservoirs previously constructed. Floods will cause great property damage and a great portion of these flood waters will be lost to irrigation. This is an appropriation for conservation in every sense of the word and I most earnestly urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. ASPINALL].

The question was taken; and on a division (demanded by Mr. CARROLL) there were—ayes 40, noes 48.

So the amendment was rejected.

The Clerk read as follows:

OFFICE OF THE HOUSING EXPEDITER

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses, Office of the Housing Expediter," $600,000.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 23, line 23, after the figure, strike out the period and insert a semicolon and the following: "of which not less than $300,000 shall be used for the payment of terminal leave and other costs of liquidation of this agency."

Mr. PHILLIPS of California. Mr. Chairman, it seems to me, in listening to the testimony on this particular item, that the Congress has come to a point where it should declare itself on the subject of rent control, and on how long we intend to continue the Office of Housing Expediter.

This amendment which I have offered today does not change the amount of money, it does not increase nor decrease the amount of money. I follow the action of the other body when that same item "Office of Housing Expediter" was being acted upon in that body during the passage of the first deficiency bill, in which a less percentage than I have set aside here to be used for liquidation and for the payment of terminal leave only was also marked for that purpose. I think we should declare ourselves on this item in the budget. There is no intent on the part of this Congress that we should continue the money to the 1st of July with any thought that we would then continue it for a longer period of time.

This is not the place nor the time to discuss at great length the problem of the control of rents by a government. Other nations have found to their great sorrow that a policy which controls rents brings into the political picture of that government a highly active political agency, and they have found that this reduces the construction of rental properties. We are deciding, whether we realize it or not, whether the policy of this country shall be to discontinue rental houses and build only houses to be sold, or whether we shall follow the historic policy of the United States and continue to build houses for rental purposes.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. JENSEN. Is it not a fact that France still has the housing laws, the rent-control laws, which that nation put into effect after the First World War, at this very moment, and that is why France today is known as a nation of slums? Is that not a fact?

Mr. PHILLIPS of California. It is a fact that France has the same housing law which it imposed for temporary purposes; and it is also a fact, as anybody who has been in France knows, that they cannot repair rental property; they do not build rental properties, and they therefore do not have rental properties to offer to their people.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. YATES. Do I understand the gentleman's remarks correctly that he proposes to use an appropriation bill rather than a bill from the Congress such as would come out of the Banking and Currency Committee to declare what the policy of the Congress should be with respect to rent control?

Mr. PHILLIPS of California. No; I said I was not attempting to do what should be done at another time, but that I was following in this appropriation bill, the same policy which was established in the preceding appropriation bill by the other body, which was to put a limitation upon the appropriation item, indicating that it was to be used for the liquidation determined by the legislative committees.

Supplementing what the gentleman from Iowa said, I have here a report from England. It says that between the two wars $4,500,000 worth of houses had been provided for England, the bulk of which fell into two categories. They were houses built for sale, or they were subsidized houses built under the housing acts of England.

I also have a similar report on the Irish situation. I do not want to go into that situation here, but I do not want the indefinite continuation of the Housing Expediter, except to carry out the liquidation policy already decided by this Congress.

I want to point out—I see my friend the distinguished chairman of the subcommittee is here—I want to point out one error which the Housing Expediter made in testifying before the Subcommittee on Independent Offices.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PHILLIPS of California. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. YATES. Mr. Chairman, reserving the right to object, and I shall not, I wish to ask the gentleman a question.

Mr. PHILLIPS of California. I yield to the gentleman from Illinois.

The CHAIRMAN. First, permit the Chair to put the gentleman's request. The gentleman from California asks unanimous consent to proceed for two additional minutes.

Is there objection?

There was no objection.

Mr. YATES. The gentleman stated that it is the policy of Congress to liquidate this program. I wish the gentleman would point out anywhere in the basic law where it is stated to be the policy of this Congress that the Rent Control Administration shall be liquidated upon June 30.

Mr. PHILLIPS of California. I continue to refer to the first appropriation bill which went through the Congress. In the other body the limitation was placed upon the appropriation. It will be found at page 3075 of the CONGRESSIONAL RECORD of March 9, 1950, in which the other body added the limitation:

To be used for the payment of terminal leave only.

Mr. YATES. That, however, was part of an appropriation bill and not part of basic legislation.

Mr. PHILLIPS of California. It was part of an appropriation bill which, having been adopted by the two Houses then became the law.

Two things I have here interest me very much. I may not have time to go into both. One is covered by the photostatic document I have here. It seems that on February 15 the Housing Expediter issued a notice of separation because of reduction in force, as shown in this photostatic copy. It put the employee on notice that he was to remain on active-duty status until March 3, and then to take his terminal leave to May 15. However, in spite of the fact that on February 15 he was given this separation notice, on February 3 he had his salary doubled. On February 3 the Housing Expediter raised him from a clerk-typist at $3,130 to a chief of section at $6,400 per annum.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. TABER. I think that ought to be read to the committee. Mr. Chairman, I ask unanimous consent that the gentleman from California be allowed to proceed for three additional minutes in order that he may read this matter to us.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PHILLIPS of California. I thank the gentleman. This photostat shows that 12 days prior to giving the employee in the Housing Expediter's office the severance notice the employee's pay was increased from $3,130 per year to $6,400 per year. Also, since the days of OPA, we have not had such statistics sent to us as we are now receiving from the Housing Expediter. The statement by the Housing Expediter before our committee in reference to the city of Houston, Tex., was that when rent control was not renewed rents rose 41.3 percent. Checking that with the Bureau of Labor Statistics, from which source this information was supposed to come, the actual increase in rents was about 10.5 percent over the rental field.

I hope we are not going to have a repetition of OPA days when it was necessary to check the statistics which came from that agency for accuracy, usually to find them modified to suit the argument which the agency was trying to make.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from Iowa [Mr. JENSEN] made an observation a moment ago that probably he did not mean, when he said that France is a nation of slums.

Mr. PHILLIPS of California. He could have made the statement stronger, that the imposition of rent controls as an emergency measure, from which France has not been able to get free in 30 or 40 years, has completely ruined construction, and principally the repair of rental

property. It is a very difficult situation. I do not think the gentleman from Iowa meant that France is a nation of slums now, but certainly France is on the way to being a nation of slums if something is not done about it.

Mr. McCORMACK. We would not want an impression sent abroad in connection with a friendly nation that that nation of people is a nation of slums. That is the only purpose I had in asking the gentleman to yield.

Mr. PHILLIPS of California. Does the gentleman think they would be offended and not want to borrow any more money from us?

Mr. McCORMACK. I would be offended in America if they made that statement abroad.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from New York.

Mr. JAVITS. I take it the statement the gentleman is making is on the assumption that rent control ends on June 30 this year?

Mr. PHILLIPS of California. That is the reason. Certainly we should follow the policy established in the first deficiency bill by the other body.

Mr. THOMAS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, if I understood the reading clerk correctly, the amendment does two things. One is to earmark $300,000 of this $600,000 for terminal leave and, if I understood the Clerk correctly, the other was for "legislation." I presume the gentleman from California meant "liquidation."

With that clarification let me see if I can briefly summarize for the Committee the status of rent control with reference to appropriations. We all know that this activity known as rent control dies as of June 30 of this year by operation of law unless it is extended by another act of this Congress. From the appropriation point of view the Housing Expediter went to the committee at the other end of the Capitol on February 16 and asked for $3,600,000 in the way of an urgent deficiency to carry his activities through the end of the fiscal year.

The Senate committee granted $2,600,000 with the stipulation that that agency be wound up lock, stock, and barrel. The item went to the floor of the other body and the amount was increased to $4,000,000, of which $2,600,000 was for terminal leave. As I have said, the other body gave them a flat $4,000,000, which was $400,000 more than the budget estimate. They earmarked $2,600,000 for terminal leave with a general understanding that the agency would go by the board at the end of June 30 this year. About 2 weeks ago they came to your subcommittee with a budget estimate of $800,000 to carry on for all practical purposes through the month of June. They said the urgent deficiency bill did not give them enough money to go through the month of June; that the $1,400,000 would not do the job but that $2,600,000 for terminal leave would do the job. They told our committee on the record that they needed, not $800,000, but an additional amount of $1,000,000. They had on the 1st of January approximately 4,150 employees in this agency. On April 1 they had approximately 3,900 and the $600,000 that we have recommended in this bill will give them about 2,000 employees to carry them through the month of June.

Now, gentlemen, as I understand the matter my friend, the gentleman from California [Mr. PHILLIPS] does not seek to change the money here. He just attempts to earmark $300,000 more. You have already given them two and six-tenth millions for terminal leave, and they certainly do not need $300,000 more.

I think what this committee ought to do, if I may humbly make this recommendation to you, is to leave this language as it is and wait to see what this House and the other body does as to continuation of rent control for another year. It will be their business. As for me, I do not know what I am going to do. My State has heretofore decontrolled, and perhaps I will follow my own State, but that is a matter for me and that is not your trouble. But, frankly, I think they have enough funds already earmarked for terminal leave. I think this $600,000 will amply carry them through June 30 and let us permit the Congress to decide what they want to do about it. I think that is the only sensible solution and way out as far as this item is concerned. I am not finding any fault with my distinguished friend from California, and I know what his attitude is. He does a fine job, not only for his district, but for his State. Frankly, I do not think the amendment adds anything here.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from California.

Mr. PHILLIPS of California. According to the gentleman's own statement, the entire amount is meant for liquidation; therefore if I want to earmark half of it for liquidation, no harm could possibly be done.

Mr. THOMAS. This is solely for expenses of operation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think my friend from California protests too much when he says that he is not trying the issue of rent control before this House today. He is trying that issue. He cannot say that he only wants the program to be liquidated on June 30. It seems to me that his amendment is one in the long series of amendments made by the Committee on Appropriations and adopted in the various conference reports which has crippled the administration of this program since its passage by the House last year. The report on this deficiency appropriation bill says that the 1950 Independent Offices Appropriation Act contained an initial appropriation of $17,500,000 for this purpose. When the 1950 appropriation bill was passed by this House it had a provision for $21,000,000 in it, not $17,500,000.

In the conference report that was adopted between the House and the Senate it was cut to $17,500,000. In the debate that took place at that time before the other body and in measure, before this House, the Housing Expediter was told, in spite of the protestations of some Members of the House, that if he did not have sufficient funds to administer the program he should come back to this House for additional funds. He came back to the House for additional funds a few months ago, when the first deficiency appropriation came before us. He came in with a request for $4,000,000, to provide a reasonable administration of the law. That was the amount that was stricken from the 1950 appropriation bill. When the deficiency bill left this House it provided for the $4,000,000. When it came back from the Senate and out of the conference, $2,600,000 of that appropriation was earmarked for terminal leave, taking these funds away from administration. This left only $1,400,000 to administer the program until June 30, obviously not sufficient money to administer the program, and the Housing Expediter had to come back to the Congress with a request for additional funds.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. TABER. Did they use up the money by the kind of practices the gentleman from California read, by increasing the pay as much as double so that a lot more money would be used for terminal leave? Did they pay at the double rate?

Mr. YATES. May I refer the gentleman to the hearings on the deficiency appropriation bill as they appear on page 808. In July 1949 the Housing Expediter had 5,301 employees. In June of this year he is estimated to have 2,244. I do not think the record of the Housing Expediter is too bad.

He is making an earnest effort to cut down the number of employees he has.

We still vitally need rent controls in metropolitan centers like Chicago, Los Angeles, and the other great cities of this Nation. Why should we on the floor of the House today try the question of rent control? The Committee on Banking and Currency has just reported out the Spence bill, by a vote of 15 to 4, which would continue rent controls for an additional 6 months, leaving to the municipalities of the country by local option the question of whether or not rent control should be continued for 6 months afterward. The time to try the question of rent control is when that bill reaches this floor, not today. In order to take care of the needs of the Office of the Housing Expediter, let us give him a chance to finish out the program on a decent and a reasonable basis.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The present rent-control law expires on June 30.

Mr. YATES. That is correct.

Mr. McCORMACK. Under the present situation in relation to the appropriations, unless further appropriations are provided in this bill it will in fact expire the latter part of this month, as I understand.

Mr. YATES. It will expire on May 24 or 25.

Mr. McCORMACK. In other words, by failure to make appropriations we are cutting short the life of the rent-control law, as the law now exists, by at least a month.

Mr. YATES. That is correct.

Mr. McCORMACK. As a matter of good faith the Congress should carry out rent control until June 30. Further, none of us know what Congress is going to do in relation to the bill that has been reported out of the Committee on Banking and Currency and on which a rule is now being sought from the Committee on Rules.

Mr. YATES. The gentleman is correct.

May I point this out further to the gentleman from Massachusetts. The gentleman from California has stated that it is the policy of this Congress that rent control be liquidated. I think that is just an assumption. If the gentleman will refer to the hearings on page 808, in connection with the examination of the Housing Expediter before the Committee on Appropriations, he will find that the gentleman from California [Mr. PHILLIPS] made this statement to the Housing Expediter:

> The Office of the Housing Expediter was put on notice a year ago that they were going out of business and yet they are up here on the 8th of May with a request for $800,000 to carry themselves along to the 30th of June.

To this the Housing Expediter made this reply:

> No, Congressman, I do not think anywhere in the act appears a directive to liquidate.

That was the reason I asked the gentleman from California to yield before. He stated that a year ago the House issued the directive that rent control should be liquidated at this time. If that be true, then why have additional hearings before the Committee on Banking and Currency? We on the committee should not dictate legislative policy. I think that is the very reason the Committee on Appropriations, of which I am a member, has been subject to the criticism that we on the committee attempt to make legislation in the form of appropriations. I for one do not like it. I think the Committee on Banking and Currency has a very valuable function to perform. I think it is the function of the Committee on Banking and Currency to determine whether or not a bill should be reported in furtherance of rent-control legislation. I do not think it is up to us on the Committee on Appropriations in the form of an appropriation bill to cripple the legislation, once the House has adopted it.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. SAYLOR. According to the figures you gave there has been a reduction of over 50 percent in the employees. You stated they originally asked for $21,000,000. They were granted $17,000,000 and a deficiency appropriation of $4,000,000, which makes the $21,000,000. How can you explain, then, the justification for this appropriation of $600,000 more when they have already reduced their staff more than 50 percent, unless it is by the example, such as pointed out by the gentleman from California [Mr. PHILLIPS] of doubling their salaries?

Mr. YATES. If the gentleman will permit me to answer his question, I pointed out that of the additional $4,000,000 appropriation $2,600,000 was earmarked for terminal-leave pay. That cannot be used in the administration of the Office. Only $1,400,000 was to be used for the administration of the Office. I would direct the attention of the gentleman to the remainder of the hearings. If he looks through these hearings he will find that almost the entire rent-control program is still in existence throughout the country. Of the 48 States only 6 have been decontrolled in spite of the fact that they do have local option in the present law and each of the States and communities do have the right to decontrol. Apparently there is a great need for the continuation of such controls today, otherwise the municipalities and States would have decontrolled their communities.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am glad to yield to the chairman of the subcommittee.

Mr. THOMAS. I would like to clarify a point raised by the gentleman from Pennsylvania a while ago. The budget estimate for 1950 was $26,000,000 and not $17,000,000. Seventeen million dollars was given, so they suffered a cut there of ten or eleven million dollars.

Mr. YATES. I thank the gentleman for his contribution.

Mr. Chairman, I hope the amendment is defeated. This is another one of a long series of amendments seeking to cripple the administration of this act. Let us permit a decent job to be done by the Housing Expediter for the balance of the basic rent-control period. Let us not attach any strings to the appropriation.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is just another example of how these bureaucrats down here work. During the time that I have been a Member of Congress the Expediter has received a certain amount of money to run his department and every year along about February or March he comes here to get an additional appropriation to carry his department. Instead of cutting his cloth according to the size of the appropriation he gets, he spends his money indiscriminately so that it is all gone in the first 9 months of the fiscal year, and then we have to make a supplemental appropriation to carry his department until the 1st of July because the law says the law is to continue in effect until the 1st of July.

The gentleman from California has pointed out that he paid no attention to the amount of money in his appropriation and doubled the salaries of some of the employees and recommended that they take terminal leave long ago. In any legislative body that I was ever a member of, whether it was the town or the State government or any other sort of government, we received the appropriation to run our department, and that is all we got. That is the way it is in the State of Massachusetts, anyway, and that is the way it should be run here.

Mr. McCORMACK. Is the gentleman sure that that is the way it is run in Massachusetts?

Mr. NICHOLSON. I am absolutely sure.

Mr. McCORMACK. Not under a Republican administration. I served in both branches of the Massachusetts Legislature.

Mr. NICHOLSON. Of course, my colleague from Massachusetts knows that I served there 23 years, much longer than he did.

Mr. McCORMACK. I know that, and with all due respect to my friend, for whom I have a great fondness, I think we do have supplemental budgets in the State of Massachusetts. I would not like to get into an argument with my friend about that, because I like him too much. But we have supplementary appropriations there.

Mr. NICHOLSON. We have a supplementary budget after the regular budget is passed, but the supplementary budget only takes in new appropriations that have been made since the general budget went through.

Now to get back to this subject of bureaucrats overriding all the appropriations and coming in here for billions of dollars to carry them to the 1st of July, that is all wrong. They should pay some attention to the Congress that gives them the money to run their departments—not for 9 months. We make these appropriations for a year, and they should stay within them.

As far as the authorization for this is concerned, we should not appropriate any money for next year in the general appropriation bill, because it says in the law that they are through on the 30th of June. They should have been done a long time ago.

The majority leader, for whom I have a great deal of respect, said something about France. I do not believe they have built a house in Paris in the last 30 years. The reason for it is that no one wants to build a house and let the Government take it over to do his renting for him at a price that makes his house a slum. Everybody knows that if you make the rent so cheap that a man cannot paint or paper or hire plumbers or have carpenter work done, it is only a short time before his house is ready to fall down.

I am going to support the amendment offered by the gentleman from California [Mr. PHILLIPS]. I will support anything, Mr. Chairman, that will give these pieces of property back to the people who own them. There never was anything in our Constitution or in our way of life that said the Government could take your house or mine and say how much rent we should receive for it, or anything else. It is long past due. I am glad the gentleman from California [Mr. PHILLIPS] pointed out that this Expediter has raised the salary of some men from $2,100 to $4,200 and then get their terminal leave payment. It is about time we woke up and ran the affairs of the country the same as we would run our own affairs.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. NICHOLSON] has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to chapter VIII close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. JAVITS] is recognized.

Mr. JAVITS. Mr. Chairman, I hope that the Committee will not adopt this amendment, because I do not believe that such action would follow the path of responsibility. I think it is an effort to defeat rent control now on a relatively minor provision of a deficiency appropriation bill. It is fair neither to the proponents or opponents of rent control, and for this reason: There are some who are opponents of rent control regardless. They are sincere, and their arguments must be respected and have hearing—and will again. But I think most of the House is in two other classes: those who are for rent control; and those who are for local option on rent control.

We now have our own effective State law in New York, so I am not arguing selfishly for the people of my district or my State. I am convinced that rent control is essential to the country, but that is an argument for another date. I address my remarks on this amendment especially to the group in this House that believes that as completely as possible there ought to be local option. I ask them whether they want local option driven by a sudden emergency which will occur in their communities if Federal rent control as contemplated by this amendment is crippled, or whether they would prefer to have the full time provided by the Federal law at least until June 30, in order to have their communities make up their minds locally what they want to do about rent control.

We have met the question time and time again, whether we shall endeavor to decide a question of substantive and basic law by an amendment to an appropriation bill. I urge upon my colleagues that it is our duty and responsibility to reject the amendment in face of the fact that a committee of this House by a very large majority, I think it was 13 to 4, has already reported out a proposed rent-control measure. The evidence therefore is that this agency is likely to continue, rather than the other way.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. McCORMACK. The question involved is a matter of good faith as to whether the necessary appropriations will be made by Congress to permit rent control to continue until its termination under existing law, June 30. Is not that correct?

Mr. JAVITS. I think it is a question of whether the mayors and the governors shall be able to do what the law allows them to do; in other words, to let them continue legally as the present law states they can do until June 30, or whether they shall be thrown into confusion in these cities and towns because Congress does not live up to its obligation. The gentleman calls it good faith; I call it an obligation.

Mr. McCORMACK. In other words, the question of good faith comes in as to the appropriations made by Congress to carry out the congressional mandate that this law, as presently constituted on the books, shall expire on June 30.

Mr. JAVITS. I call it the issue of responsibility; the gentleman calls it good faith. I would like to point this out to the gentleman. I hope he will agree with me. I am convinced that rent control is not a party issue. It should be carried on, because there are votes on both sides of the aisle to support it. The places where the effect of the discontinuance of rent control will be felt most severely is in the big cities and there are representatives from big cities on both sides of the aisle. Representatives who have large cities in their districts are for this law for two reasons: First, because the cities continue to have an emergency shortage of decent housing; and, second, because the cities are worst hit by inflation, especially runaway inflation, and certainly there would be a serious inflationary situation threatened in the sudden termination of rent control which would come about merely by the Federal Government's failing to meet its responsibility and providing this money to carry out this act to its termination date on June 30.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield that I may ask a question or two of the majority leader?

Mr. JAVITS. I yield.

Mr. PHILLIPS of California. I wonder if the gentleman from Massachusetts realizes the rather ingenious policy he has enunciated that where you have a temporary agency of government you should never permit it to expire or to stop its work before the end of a fiscal year. We had a lot of trouble with UNRRA. We liquidated UNRRA three times before we got in liquidated. I think the most permanent thing in government is a temporary agency.

Mr. McCORMACK. The gentleman from California is very ingenious himself; the gentleman is the one who advances the ingenious argument, not the gentleman from Massachusetts. The gentleman from Massachusetts says that this Congress passed a law extending rent control until June 30 of this year. The gentleman from Massachusetts says that in good faith the Congress should carry out the law until June 30 of this year so far as existing law is concerned.

The effect of the amendment offered by the gentleman from California would be in fact to shorten the expiration of the law by failure to make necessary appropriations to carry it out.

The CHAIRMAN. The time of the gentleman from New York has expired. All time on the chapter has expired.

The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. NICHOLSON) there were—ayes 36, noes 62.

So the amendment was rejected.

The Clerk read as follows:

UNITED STATES MARITIME COMMISSION

MARITIME TRAINING

The limitation under the head "Maritime training" in the Independent Offices Appropriation Act, 1950, on the amount available for personal services, is increased from "$3,065,000" to "$3,097,955"; and the limitation imposed by section 103 of said act on the amount available for travel expenses is increased from "$139,583" to "$205,000."

Mr. LATHAM. Mr. Chairman, I offer an amendment.

Mr. THOMAS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. THOMAS. We had an agreement that all debate on chapter VIII and all amendments thereto would close at a certain time.

The CHAIRMAN. The gentleman is correct, but the gentleman from New York may still offer his amendment.

Mr. LATHAM. Mr. Chairman, my understanding was that the request limited debate on the particular amendment. Am I incorrect?

The CHAIRMAN. The limitation of debate was on the entire chapter.

Mr. LATHAM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LATHAM. Mr. Chairman, would it be in order for me now to ask unanimous consent to speak on my amendment for 3 minutes?

The CHAIRMAN. After the amendment is reported, the Chair will entertain the request.

The Clerk read as follows:

Amendment offered by Mr. LATHAM: On page 24, line 3, strike out lines 3 to 8 inclusive, and insert the following:

"For an additional amount for 'Maritime training,' including pay increases, effective October 1, 1949, for personnel of the United States Maritime Service comparable to those provided for the uniformed services by the 'Career Compensation Act of 1949,' $268,000, to be derived by transfer from the amount available for new ship construction under the appropriation for 'Salaries and expenses, 1950'; and the limitation under the head 'Maritime training' in the Independent Offices Appropriation Act, 1950, on the amount available for personal services, is increased from '$3,065,000' to '$3,596,000'; and the limitation imposed by section 103 of said act on the amount available for travel expenses is increased from '$139,583' to '$205,000.'"

Mr. KERR. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. There is no debate left on this chapter.

Mr. NORRELL. Mr. Chairman, I make the point of order that it is not authorized by statute.

The CHAIRMAN. What part of the amendment is not authorized by statute?

Mr. NORRELL. That part that puts the Maritime Commission employees on the same basis as those of the Armed Forces.

The CHAIRMAN. Does the gentleman from New York desire to be heard on that particular point of order?

Mr. LATHAM. Mr. Chairman, I would like to point out that the language of my amendment is the language of the President of the United States in his budget message and I submit it is perfectly proper.

The CHAIRMAN. Can the gentleman cite the statute under which this appropriation is authorized?

Mr. LATHAM. Mr. Chairman, I cite House Document No. 544, the language of the President of the United States in his budget message to this House.

The CHAIRMAN. The Chair may say that is an estimate of an appropriation and not necessarily authorized by law. What is the existing law that authorizes this uniform treatment of Maritime Service employees?

Mr. LATHAM. References to the law are found in the Pay Readjustment Act, which has been passed from time to time, and the Career Compensation Act of 1949.

The CHAIRMAN. Will the gentleman cite the section of the Career Compensation Act of 1949 to which he refers?

Mr. LATHAM. I would if I could, but I do not have it with me, I am sorry.

The CHAIRMAN. The Chair will state that the burden of proof is on the gentleman to show that it is authorized.

Mr. LATHAM. Mr. Chairman, I am sorry I do not have the act with me. I cannot cite the specific section, but it is my opinion that the language is perfectly proper.

The CHAIRMAN. Inasmuch as the gentleman from New York cannot cite the existing law authorizing this treatment to be accorded to the Martiime Service, the Chair is compelled to sustain the point of order.

The Clerk read as follows:

FLOOD CONTROL

For an additional amount for "Flood control, general", $750,000, to remain available until expended.

For an additional amount for "Flood control, general (emergency fund)", as authorized by the Flood Control Act of 1948 (Public Law 858, approved June 30, 1948), $2,500,000, to remain available until expended.

EMERGENCY REPAIRS, LAKE OKEECHOBEE LEVIES

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the existing system of levees around the southern half of Lake Okeechobee comprises one of the most important flood-control projects in the United States. These levees extending for a total distance of 67 miles along the south shore and 16 miles along the north shore of the lake were constructed and are maintained by the Corps of Engineers pursuant to specific authorizations from Congress. The levee system provides protection against flooding by wind tides to that highly developed agricultural area of the Everglades and in addition affords protection to the communities of Belle Glade, Clewiston, Pahokee, Lake Harbor, and the outlying suburban residential areas. It is imperative that these levees never be allowed to fail.

In 1928 before the levee system was constructed the hurricane passing south of Lake Okeechobee caused extreme wind tides resulting in a loss of 2,500 lives within the space of a few hours. This loss of life was centered around the community of Belle Glade, south of Lake Okeechobee. Most of the victims lost their lives as a result of drowning. Immediately following this disaster Congress authorized the construction of protective levees to confine the waters of Lake Okeechobee to the lake area during hurricane periods. The construction of these levees was completed by the Corps of Engineers in 1936. At the present time the area has a population in excess of 35,000 and agricultural development has been stepped up to the point where even greater loss of life would be experienced today by a failure of one of the existing levees during a hurricane similar to that which occurred in 1928. As a matter of fact a more severe storm did occur in August of last year.

Severe damage to the levees was caused during the hurricanes of 1947, 1948, and again in 1949. During the latest storm in August of last year, which incidentally was the most severe storm experienced since the completion of these levees considerable damage was done to the levee structures. Erosion occurred within 2 feet of the top of the levees at the point of heaviest attack. In that damaged condition portions of these levees could not be relied upon to afford protection to this rather heavily populated area in the event another hurricane occurred this fall. Therefore, the Corps of Engineers immediately after the storm had passed undertook such emergency repairs as it was possible to finance out of available emergency flood-control funds. These repairs to date have consisted of replacement of about 80,000 cubic yards of earth embankment, 8,200 tons of stone revetment, and 53,000 cubic yards of slope stabilization work. This emergency work has been carried forward to the limit of available funds.

I am informed that much additional repair work will be required prior to the 1950 hurricane season. In order to insure adequate protection to this portion of my State to complete all essential repairs to the damaged levees will require the placement of additional embankment material, reshaping, and stabilization of the lakeside levee slopes. These repairs will restore the levees to grade and section in order that they will continue to provide the protection needed to safeguard life and property in the vicinity of Lake Okeechobee. This matter was considered of sufficient importance by the President to be included in his communication transmitting supplemental estimates of appropriation to the Congress on January 27, 1950. This message from the White House has been printed as Document No. 455, House of Representatives, Eighty-first Congress, second session. A quote from the President's message is in my opinion indicative of the seriousness of the situation confronting the residents of the Lake Okeechobee area. I quote:

> Additional funds in the amount of $1,000,000 are required at the earliest practicable date in order to insure that the remaining repair work of an urgent nature may be completed prior to the 1950 hurricane season.

Gentlemen, the time is very short between now and the hurricane season which will soon be upon us in the fall. During that brief period the Corps of Engineers must complete the repair work on this system of levees. In order that this work may be completed this deficiency appropriation in the amount of $1,000,000 must be made available to the Corps of Engineers to finance this emergency repair work. I urge your support of this sum to the urgent deficiency appropriation bill.

The Clerk read as follows:

ASSISTANCE TO THE REPUBLIC OF KOREA

For expenses necessary to provide assistance to the Republic of Korea pursuant to the Far Eastern Economic Assistance Act of 1950 (Public Law 447, approved February 14, 1950), including expenses of attendance at meetings concerned with the purposes of this appropriation; payment of tort claims pursuant to law (28 U. S. C. 2672); health service programs as authorized by law (5 U. S. C. 150); transportation of privately owned automobiles; hire of passenger motor vehicles and aircraft; exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; $50,000,000: *Provided*, That the appropriation established under this head in the Second Supplemental Appropriation Act, 1950, shall be consolidated and merged with this appropriation and such consolidated appropriation shall be available through June 30, 1950: *Provided further*, That not to exceed $1,500,000 of such consolidated appropriation shall be available for administrative expenses during the fiscal year 1950.

Mr. KERR. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that the remainder of the bill be considered as read and open to points of order and amendments. All that remains is pay increases authorized by law and claims and judgments.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Are there any points of order to the remaining portions of the bill?

Are there any amendments? There appear to be none.

Mr. KERR. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. KERR. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Alabama [Mr. HOBBS] is recognized for 30 minutes.

THE AMERASIA CASE

Mr. HOBBS. Mr. Speaker, I do not believe in arguing with friends in disagreement on a matter over which there should be no argument whatever. Every Member of the House is a representative of the people of the United States and the three Republican members of our subcommittee are as worthy and as patriotic gentlemen as ever served in this body.

I took great pride in the fact that for 6 years, while I was chairman of the subcommittee, we had three Republicans and three Democrats on that subcommittee which finally, under the Dondero resolution, introduced by our good friend, the gentleman from Michigan, Hon. GEORGE DONDERO, was assigned to the task of investigating what is popularly known as the Amerasia case.

We had that number of members and that two-party character on the subcommittee. Three Republicans: Hon. Clarence Hancock, Hon. Raymond Springer, and Hon. Frank Fellows, gentlemen of the highest class, and two Democratic members of the same caliber and character. I was chairman, honored to be associated with such a group. The same is true of our friend the gentleman from Michigan, Hon. GEORGE DONDERO, whose resolution and guidance we were obeying.

The reason I am taking this time is not to dispute with them, and not to quarrel with anybody, but it does seem to me there have been a great number of unwarranted statements which will not bear the light of day. I hope to be able—not to convince any of you gentlemen—but really to tell you the story, and I ask, Mr. Speaker, that I may have the privilege of revising and extending my remarks at this point in the RECORD and to include the report, House Report No. 2732 of the Seventy-ninth Congress, second session, which Subcommittee No. 4 filed in accordance with the Dondero resolution on October 23, 1946.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REPORT OF SUBCOMMITTEE IV OF THE COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, SEVENTY-NINTH CONGRESS, SECOND SESSION, PURSUANT TO HOUSE RESOLUTION 430, TO INVESTIGATE THE CIRCUMSTANCES WITH RESPECT TO THE DISPOSITION OF THE CHARGES OF ESPIONAGE AND THE POSSESSION OF DOCUMENTS STOLEN FROM SECRET GOVERNMENT FILES

LETTER OF TRANSMITTAL

OCTOBER 23, 1946.

The Honorable SOUTH TRIMBLE,
Clerk of the House of Representatives.

MY DEAR MR. TRIMBLE: In accordance with the terms of House Resolution 430, Subcommittee IV of the Committee on the Judiciary herewith transmits to you, as Clerk of the House of Representatives of the Seventy-ninth Congress, its report as ordered by said resolution, the House of Representatives not being in session.

Respectfully submitted.

SAM HOBBS,
Chairman, Subcommittee IV,
Committee on the Judiciary.

To the honorable South Trimble as Clerk of the House of Representatives of the Seventy-ninth Congress:

Subcommittee No. IV of the Committee on the Judiciary, to which was assigned the duty required by House Resolution 430, makes the following report, the House not being in session:

I. The Committee on the Judiciary was authorized and directed by said resolution: "to make a thorough investigation of all the circumstances with respect to the disposition of the charges of espionage and the possession of documents stolen from secret Government files which were made by the Federal Bureau of Investigation 'against Philip J. Jaffe, Kate L. Mitchell, John Stewart Service, Emmanuel Sigurd Larsen, Andrew Roth, and Mark Gayn,' and to report to the House (or to the Clerk of the House, if the House is not in session) as soon as practicable during the present Congress, the results of its investigation, together with such recommendations as it deems necessary."

II. Prior to June 1945, information obtained by agencies of the Government and articles appearing in magazines, newspapers, and radio broadcasts had shown that Government files were not being as carefully guarded as they should have been. Investigations were made by more than one agency of the Government for the purpose of ascertaining how such "leaks" could have occurred and who was responsible. The FBI and at least one other agency made a searching investigation.

On June 6, 1945, the Federal Bureau of Investigation, after a painstaking and careful investigation covering several months, and acting on warrants of arrest issued by a United States district judge, caused the arrest of Philip Jacob Jaffe and Kate Louise Mitchell, editor and coeditor, respectively, of Amerasia, a magazine published in New York City; Andrew Roth, a lieutenant in the United States Naval Reserve, stationed in Washington; Mark Julius Gayn, a magazine writer of New York City; and Emmanuel Sigurd Larsen and John Stewart Service, who were employees of the State Department in Washington, D. C.

At the time these arrests were made, searches and seizures, incident to the arrests based on warrants, were conducted in the offices or residences of various of the arrested parties. Many classified Government documents or copies were found in the possession of some of them, the greater part of the documents pertaining to political matters in Japan, China, India, and Asia.

To understand the nature of these documents and papers, an explanation of security terms is essential. In most Government departments and agencies, papers and documents subject to security regulations are classified in one of four categories, defined as follows:

"Top secret": Certain secret material and information, the security aspect of which is paramount, and the unauthorized disclosure of which would cause exceptionally grave danger to the Nation, or embarrassment to the Government, shall be classified as "top secret."

"Secret": Material and information, the unauthorized disclosure of which would endanger national security, cause injury to the interest or prestige of the Nation, or any governmental activity thereof, or would be of advantage to a foreign nation, shall be classified as "secret."

"Confidential": Material and information, the unauthorized disclosure of which, while not endangering the national security, would be prejudicial to the interest or prestige of the Nation, or any governmental activity or individual, and would cause administrative embarrassment or difficulty, or be of advantage to a foreign nation, shall be classified "confidential."

"Restricted": Material and information (other than "top secret," "secret," or "confidential") which should not be published or communicated to anyone, except for official purposes, shall be classified as "Restricted."

Any paper or document falling within any of such categories is properly identified as a "classified document." Security rules and regulations for the handling of "classified matter" were in force in the State Department, the Office of War Information (OWI), the Office of Strategic Services (OSS), the Office of Naval Intelligence (ONI), the Navy Department, Military Intelligence Division (MID), the War Department, and other departments and agencies of the Government at the time the matters under investigation took place. In considering the types of "classified documents" seized by the FBI at the time the various parties were arrested, this report treats "duplicate originals" of classified documents as including mimeograph, hectograph, or ozalid copies and "copies" as including photostatic and typewritten copies.

Among the documents seized in the possession of Jaffe at the Amerasia office in New York City at the time of his arrest were 267 prepared by the State Department, including 2 copies of a top secret classification, 20 originals or duplicate originals, and 14 copies of a secret classification, and 51 originals or duplicate originals and 14 copies of a confidential classification; 50 prepared by OSS, including 2 originals or duplicate originals and 1 copy of a secret classification and 11 originals or duplicate originals of a confidential classification; 19 prepared by ONI, including 1 original or duplicate original of a secret classification and 3 originals or duplicate originals of a confidential classification; 34 prepared by MID, including 9 copies of a secret classification, 1 original or duplicate original and 11 copies of a confidential classification; 58 prepared by OWI, including 3 copies of a secret classification; 1 original or duplicate original and 4 copies of a confidential classification.

Jaffe was affiliated with the National League of American Writers, American Council on Soviet Relations, National Council of American-Soviet Friendship, American League for Peace and Democracy, and American Friends of the Chinese People.

When Larsen was arrested at his home in Washington, D. C., the documents found in his possession and seized by the FBI included 93 from the files of, or prepared by, the State Department, including 14 originals or duplicate originals and 5 copies of a secret classification; 13 originals or duplicate originals and 3 copies of a confidential classification; 144 from the files of, or prepared by, ONI, including 7 originals or duplicate originals of a secret classification and 24 originals or duplicate originals and 3 copies of a confidential classification; 8 from the files of, or prepared by, MID, including 1 secret original or duplicate original and 1 copy of a secret classification and 2 copies of a confidential classification; 9 from the files of, or prepared by, the War Department, including 2 copies of a secret classification and 3 originals or duplicate originals of a confidential classification; 8 from the files of, or prepared by, OSS, including 1 original or duplicate original of a confidential classification.

Larsen, when arrested, was a research specialist in the Far East Division of the Department of State. He had formerly served as a civilian specialist with ONI in Wash-

ington from October 1935 to August 1944, when he transferred to the State Department. His work in both places consisted of research and advisory work in Chinese matters.

At the time of the arrest of Andrew Roth in Washington, D. C., no secret or confidential documents or copies thereof were found in his possession. The records made available to this committee indicate, however, that Roth, who had been under surveillance, was the contact man or go-between for Jaffe in Washington. He was observed at various times transmitting envelopes to Jaffe or others connected with these transactions. Four items which were seized by the FBI in the possession of Jaffe, and which bore no official classification, were subjected to laboratory analysis, with the resulting disclosure that they were copies of official reports on Indian politics written in longhand by Roth, or typewritten on Roth's machine. Before his arrest, he had been working on the Japanese Fleet Desk in ONI and had been engaged in liaison work between the State Department and ONI. Prior to his entering the service, he had worked on the staff of Amerasia.

The arrests made by the FBI on June 6, 1945, were on charges of conspiracy to violate the Espionage Act during wartime. Jaffe, Mitchell, and Gayn, who were arrested in New York, were arraigned there and released on $10,000 bonds posted by each. Roth, Service, and Larsen were arraigned in the District of Columbia in the early hours of June 7, 1945, and their bonds set at $10,000 each.

The cases against the parties were again presented to a second grand jury from July 30, to August 8, 1945, during which time Mitchell, Gayn, and Service voluntarily waived immunity and appeared before that body. No indictments were returned against them. On August 10, 1045, true bills were returned against Jaffe, Larsen, and Roth, the indictments charging a violation of section 88 of title 18 of the United States Code by conspiring to violate sections 100, 101, 234, and 235 of title 18, United States Code, which are as follows:

"Section 100 of title 18—Embezzling public moneys or other property: Whoever shall embezzle, steal, or purloin any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

"Section 101 of title 18—Receiving stolen public property: Whoever shall receive, conceal, or aid in concealing, or shall have or retain in his possession with intent to convert to his own use or gain, any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, which has theretofore been embezzled, stolen, or purloined by any other person, knowing the same to have been so embezzled, stolen, or purloined, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both; and such person may be tried either before or after the conviction of the principal offender.

"Section 234 of title 18—Destroying public records: Whoever shall willfully and unlawfully conceal, remove, mutilate, obliterate, or destroy, or attempt to conceal, remove, mutilate, obliterate, or destroy, or, with intent to conceal, remove, mutilate, obliterate, destroy, or steal, shall take and carry away any record, proceeding, map, book, paper, document, or other thing, filed or deposited with any clerk or officer of any court of the United States, or in any public office, or with any judicial or public officer of the United States, shall be fined not more than $2,000, or imprisoned not more than 3 years, or both.

"Section 235 of title 18—Destroying records by officer in charge: Whoever, having the custody of any record, proceeding, map, book, document, paper, or other thing specified in section 234 of this title, shall willfully and unlawfully conceal, remove, mutilate, obliterate, falsify, or destroy any such record, proceeding, map, book, document, paper, or thing, shall be fined not more than $2,000, or imprisoned not more than 3 years, or both; and shall moreover forfeit his office and be forever afterward disqualified from holding any office under the Government of the United States."

Jaffe, Larsen, and Roth were arraigned on August 30, 1945, before Judge Henry Schweinhaut in the Federal District Court for Washington, D. C., and entered pleas of not guilty. At that time the bond for each was reduced from $10,000 to $2,500. Roth, through his attorney, filed a demurrer and request for a a bill of particulars on September 27, 1945, and on September 28, 1945, Larsen, through his attorney, filed a motion to quash the indictment, a demurrer, and a motion to suppress the evidence. On October 2, 1945, Jaffe withdrew his plea of not guilty and entered a plea of guilty to the indictment. A fine of $5,000 was recommended by United States Attorney R. M. Hitchcock of the Department of Justice. The court imposed a fine of $2,500, which was the figure suggested and requested by Jaffe's attorney. On November 2, 1945, Larsen withdrew his former pleas and motions and entered a plea of nolo contendere. A fine of $500 was suggested by the attorney for the Department of Justice and was imposed by the court. In each of these two cases it is to be noted that the Justice Department attorney recommended fines after stating in open court that the actions of the two defendants "did not involve any element of disloyalty." On January 18, 1946, a hearing was held before Judge James M. Proctor of the Federal District Court for the District of Columbia on Roth's motion for a bill of particulars. The Criminal Division of the Department of Justice was given 30 days in which to file this bill of particulars. Thereafter the Department, on February 13, 1946, entered a nolle prosequi in the case of Roth.

III. On June 22, 1945, a grand jury of the United States District Court for the District of Columbia began its inquisition. This proceeded for 8 days. During that time, or shortly thereafter, Mitchell, Gayn, and Service, waiving immunity, requested to be permitted to appear before a grand jury and testify in their own behalf.

While in many State courts no such practice is permitted, it seems quite common in Federal courts and, particularly, in the District of Columbia.

When defendants are allowed to appear and testify before grand juries they subject themselves to preliminary questioning by the prosecuting attorneys, and also to cross-examination, which is recorded. This frequently results in enabling the prosecution to make out a stronger case against defendants than could be established otherwise.

These written requests by Mitchell, Gayn, and Service were granted. They each appeared and testified before the second grand jury, the first having been discharged from further consideration of the case. All three of these defendants were questioned at length, and Mitchell and Gayn were cross-examined thoroughly.

The votes of at least 12 grand jurors in favor of indictment is required by law in order that such action may be taken. After the second grand jury had heard all of the oral evidence both for and against all 6 of the defendants and considered all of the documentary evidence, fewer than half of the required 12 voted for the indictment of any one of the three, Mitchell, Gayn, and Service, and no more than 14 of the 20 grand jurors constituting the grand jury voted for the indictment of any one of the other three. Of course, this meant that indictments were presented only against Jaffe, Larsen, and Roth.

IV. Not only was the attitude of the grand jurors indicative of what might be expected of petit jurors, but it should be borne in mind in considering the question of the wisdom, vel non, of the disposition of the charges, that the remaining defendants would be represented by competent counsel on their trial, and would have their own witnesses and their own testimony there, whereas before the grand jury only prosecution witnesses and prosecution attorneys had been heard.

V. The prosecution's case was further weakened by these facts:

1. In our governmental course of dealing, classification of documents was not standardized in practice. Frequently, if not usually, the writer or forwarder in a foreign country made the classification (grand jury minutes, vol. 1, pp. 51, 79). In part this was governed by his desire to have the material transmitted promptly and, since the higher the classification the greater the speed of transmission, unwarranted up-grading for speed was common.

2. Few, if any, of the identifiable classified documents involved in this case had any real importance in our natitonal defense or our war effort.

3. Many had already been given wide publicity.

4. Many of the identifiable documents might have had their evidential value destroyed by reason of the possibility of the court's sustaining the defendants' motions attacking the warrants of arrest.

VI. Judicial decisions require scrupulous care to see that searches and seizures are reasonable. While search and seizure on arrest may be made without a search warrant, yet this is not so unless the warrant of arrest issued after "probable cause" of guilt had been established by legal evidence.

In *United States* v. *McCunn* (40 F. (2d) 295) there was a warrant for arrest upon a complaint which merely set forth the sources of information and the grounds for belief. The court said:

"The search and seizure were made without a search warrant, and therefore can be sustained, if at all, only if made as an incident of a lawful arrest, or if made with the consent of the defendants * * *.

"To enable a committing magistrate to determine whether there is probable cause for the issuance of a warrant, the sources of the information and the grounds of the belief must be stated with sufficient definiteness to enable him to determine whether a warrant should issue.

"The warrant * * * was issued without the establishment of probable cause, and the arrest and the search and seizure incidental thereto must be held illegal" (See *United States* v. *McCunn et al.* (D. C., N. Y., 40 F. (2d) 295), and authorities therein cited.)

In the event the complaint was not based on complainant's personal knowledge and not supported by other proof, no jurisdiction would be conferred upon a commissioner to issue a warrant for arrest. This is substantiated by the language of *United States* v. *Gokey* (32 F. (2d) 793), as follows:

"Consideration is first given to that part of the second ground or claim of illegal detention; i. e., that the complaint is insufficient at law to confer jurisdiction. The commission of a crime must be shown by facts positively stated before a commissioner has jurisdiction to issue a warrant of arrest. This protection is guaranteed to every person by the Constitution (fourth amendment) through the provision that 'no warrant shall issue, but upon probable cause, supported by oath or affirmation.' This safeguard of liberty has been jealously protected by all courts. And well it should be, for it would be intolerable to allow a warrant

of arrest to be issued upon the opinion, conclusion, or suspicion of some person, unsupported by facts. The 'oath or affirmation' required is of facts, not opinions or conclusions. The complaint must be supported by proof, so that the magistrate may exercise his judgment or discretion in determining that an offense has been committed, and that there is probable cause to believe the accused guilty of the commission thereof. If the complaint is made on information and belief, it must give the grounds of belief and sources of information. A complaint not based upon the complainant's personal knowledge, and unsupported by other proof, confers no jurisdiction upon the commissioner to issue a warrant (*U. S.* v. *Baumert* (D. C.) 179 F. 735; *U. S.* v. *Wells* (D. C.) 225 F. 320; *U. S.* v. *Ruroede* (D. C.) 220 F. 210; *In re Blum*, 9 Misc. Rep. 571, 30 N. Y. S. 396).

"In this case there is not any claim that the immigration officer, who made the complaint, had any personal knowledge of the commission of the crime charged, or any other crime committed by King on September 11. This lack of personal knowledge was admitted upon the hearing. The complaint, therefore, becomes nothing more than a statement of the commission of a crime, based upon hearsay. Although made upon the positive oath of the complainant, it is in reality a complaint based upon information and belief, and nothing more. The positive averments of an official as to facts not within his personal knowledge may be enough to protect a commissioner, but they should not be sufficient to confer jurisdiction, in violation of the Constitution, and the numerous decisions of the courts. The complaint must, therefore be held insufficient" (see *United States* v. *Gokey* (D. C., N. Y., 32 F. (2d) 793), and authorities therein cited).

If the warrant for arrest was not issued on probable cause substantiated by facts, the evidence disclosed as a result of the search and seizure incident to the arrest based on such a warrant would be subject to suppression and, therefore, not usable as evidence of the crime for which the arrest was made. In *United States* v. *Lefkowitz* (285 U. S. 452) the Supreme Court stated:

"The only question presented is whether the searches of the desks, cabinet, and baskets and the seizures of the things taken from them were reasonable as an incident of the arrests. And that must be decided on the basis of valid arrests under the warrant. Save as given by that warrant and as lawfully incident to its execution, the officers had no authority over respondents or anything in the room. The disclosed circumstances clearly show that the prohibition agents assumed the right contemporaneously with the arrest to search out and scrutinize everything in the room in order to ascertain whether the books, papers or other things contained or constituted evidence of respondents' guilt of crime, whether that specified in the warrant or some other offense against the act. Their conduct was unrestrained. The lists printed in the margin show how numerous and varied were the things found and taken.

"The fourth amendment forbids every search that is unreasonable and is construed liberally to safeguard the right of privacy, *Byars* v. *United States* (273 U. S. 28, 32). Its protection extends to offenders as well as to the law abiding, *Weeks* v. *United States* (232 U. S. 383); *Agnello* v. *United States* (269 U. S. 20, 32). The authority of officers to search one's house or place of business contemporaneously with his lawful arrest therein upon a valid warrant of arrest certainly is not greater than that conferred by a search warrant issued upon adequate proof and sufficiently describing the premises and the things sought to be obtained. Indeed, the informed and deliberate determinations of magistrates empowered to issue warrants as to what searches and seizures are permissible under the Constitution are to be preferred over the hurried action of officers and others who may happen to make arrests. Security against unlawful searches is more likely to be attained by resort to search warrants than by reliance upon the caution and sagacity of petty officers while acting under the excitement that attends the capture of persons accused of crime, *United States* v. *Kirschenblatt* (6 F. (2d) 202, 203); *Go-Bart Co.* v. *United States* (*supra*, 358).

"Respondents' papers were wanted by the officers solely for use as evidence of crime of which respondents were accused or suspected. They could not unlawfully be searched for and taken even under a search warrant issued upon ample evidence and precisely describing such things and disclosing exactly where they were, *Gouled* v. *United States* (255 U. S. 298, 310). * * *

"This case does not differ materially from the Go-Bart case and is ruled by it. An arrest may not be used as a pretext to search for evidence. The searches and seizures here challenged must be held violative of respondents' rights under the fourth and fifth amendments." (See *United States* v. *Lefkowitz et al.* (U. S. Sup. Ct.) 285 U. S. 452; *United States* v. *Haberkorn* (C. C. A.) 149 F. (2d) 720; *United States* v. *Hotchkiss* (D. C. Md.) 60 F. Supp. 405 and authorities therein cited.)

VII. "Classification" is a question for determination by the jury. The question as to whether information "relates to the national defense" within the purview of the Espionage Act is a question of fact for the jury under appropriate instructions from the court. The classification given a document by an agency of the Government is not controlling.

"The function of the court is to instruct as to the kind of information which is violative of the statute, and of the jury to decide whether the information secured is of the defined kind. It is not the function of the court, where reasonable men may differ, to determine whether the acts do or do not come within the ambit of the statute. The question of the connection of the information with national defense is a question of fact to be determined by the jury as negligence upon undisputed facts is determined." (See *Gorin* v. *United States* (U. S. Sup. Ct. 312 U. S. 19), and authorities therein cited.)

VIII. Most of the "classified" items in question were copies. There were few, if any, original documents. Most, if not all, of the documents listed as originals or duplicate originals in the recapitulation heretofore set out were hectograph, ozalid, or mimeograph copies. The bulk of the records were not of recent date. Some were dated as early as 1936, were innocuous in content, and were and could have been generally known to anyone interested in the information they contained. Most of the items seized at Jaffe's office were typewritten copies. Some of such copies were proved to have been typed in one of the Government departments. It may be fairly inferred that the originals of such copies were never removed but that copies were made at the department or agency where the original reposed.

There was no proof that any of the records or copies were "stolen." Virtually all of the late 1944 and the 1945 items seized from Jaffe, which on their face indicated them to be Government property, were removed from the State Department. Many originated elsewhere, but had been routed to State. Larsen had authority enabling him to take such items from the State Department, although under the regulations he could not retain them or disclose their contents. Although the various parties were frequently observed in the company of one another by trained investigators, no one of them was ever seen to deliver any Government items to another. In the Government agencies to which the various reports or documents were routed there was no real control or record of the whereabouts of copies.

IX. Of course, the law requires that every person charged with crime shall be presumed innocent until the evidence proves guilt beyond a reasonable doubt to the satisfaction of the jury. Jaffe had many of the items in his possession at the time of his arrest, and it could be proved that Larsen, at one time, handled a few of them. This at best would only establish a prima facie case against these two. No records or documents were found in Roth's possession. No Government items were ever seen to be passed from one subject to another, although all of them were under almost constant surveillance for some time. Most of the items dealt with personalities or political aspects in countries in the Far East. No criminal intent on the part of the subject parties was ever established, and there was no evidence that any of the documents or copies was ever put to any use harmful to the war effort. A study of the evidence made it clear that neither espionage nor spying could be proved. The cases were ably presented before the grand jury, but the net result of months of hard work was indictment of only three of the six accused, and in no case was the Government able to muster more than 14 of the 20 votes of the grand jurors.

No indictment was found charging espionage.

If it be thought that any one or more of the six who were originally accused should be further prosecuted on the charge of espionage, it may still be done.

The nolle prosequi ordered by the district judge on motion of the prosecuting attorneys constitutes no bar to the reinstatement of the prosecution against Roth.

X. In response to the question of "the disposition of the charges of espionage and the possession of documents stolen from secret Government files," as directed by House Resolution 430, the subcommittee charged with that duty must point out that neither grand jury that studied these cases under oath found that the evidence substantiated the charge of espionage. Neither grand jury charged the six accused, nor any one of them, with the crime of espionage.

Even if it were within the bounds of propriety—which it is not—for a congressional committee to question the conduct or conclusions of officials of another coordinate branch of our Government in the absence of justifying evidence, no reason to do so is revealed by the thorough investigation of all the circumstances with respect to this matter which has been made. After a most painstaking study, we certify that there is no evidence, nor hint, justifying adverse criticism of either grand jury, any prosecuting attorney, FBI, judicial, or other official.

Not only so, but also, the law requires, in the absence of proof to the contrary, that it be presumed that every officer has done his duty. Here, there is no evidence contra, however slight.

XI. For reasons already stated, we report our judgment that the same is true with respect to the disposition of the charge of possessing stolen documents.

XII. The evidence does disclose, however, an astonishing lack of "security" in some departments or agencies of our Government. There has been entirely too little safeguarding of documents. The recording, duplicating, and "control" have been deplorably negligent. It was impossible to determine, in many instances, from just what agency a particular item might have been taken. Lack of official control over copies invited unauthorized removal and control. Some agencies could not ascertain whether or not certain of their records were missing.

There has been certainly too little care taken in some departments in personnel procurement, particularly of those to be placed in positions of trust. At least one man was

commissioned in our Navy without the approval and over the protest of the branch affected.

Too much trust has been reposed in employees, and without adequate supervision.

In one department "gold badges" were generally issued upon the recommendation merely of the division chief, with no special investigation save the routine check conducted by the personnel office before original employment. A "gold badge" wearer could go in or out of any State Department building virtually when he pleased, and go out with documents without inspection or question by the guards. Defendant Larsen was a "gold badge" employee of the State Department.

XIII. Recommendations.

House Resolution 430 limited the investigation thereunder to the circumstances with respect to the disposition of the charges of espionage and the possession of stolen documents. As to this, the subcommittee has made the thorough investigation and report the resolution directs, but deems no recommendation necessary.

However, our profound interest in the welfare of our Government impels us to go beyond our limited authority and make the following recommendations:

1. That the head of every department and agency of our Government see to it that more—much more—care be exercised in personnel procurement. That all those considered for Government positions in every echelon be investigated so thoroughly as to insure that no one be employed unless absolute certainty has been attained that nothing in background, present attitude, or affiliations raises any reasonable doubt of loyalty and patriotic devotion to the United States of America.

2. That the watchword and motivating principle of Government employment must be: None but the best. For the fewer, the better, unless above question.

3. That each and every present employee who fails to measure up to the highest standard should be discharged. No house divided against itself can stand.

4. That "classification" of documents should be better standardized. Present "classifications" should be revised and made more accurate.

5. That safeguards and systems of recording and "control" should be perfected and employed.

Hon. Clarence Hancock, distinguished member of Subcommittee No. 4 of the Committee on the Judiciary, is prevented by his illness from participating in this report. He is physically unable to concur therein or dissent. We regret exceedingly that the subcommittee has been thus providentially deprived of his aid in formulating our report, although he sat with us in the hearings and studied the evidence with his usual diligence.

MINORITY VIEWS OF FRANK FELLOWS, MEMBER OF THE COMMITTEE

During the war, documents of the State and other departments of Government, some marked "Top Secret," were taken from the files by certain individuals. Several hundred of these documents were found in New York City in the office of the publisher of a magazine called Amerasia. The publisher's name was Jaffe. The author of the resolution under which this committee assumed jurisdiction stated upon the floor of the House:

"The President authorized these arrests to be made and the arrests were forbidden by the State Department."

Following a debate, Resolution 430 passed the House. It provides for a thorough investigation of "all the circumstances with respect to the disposition of the charges of espionage and the possession of documents stolen from secret Government files."

Three men, viz, Jaffe, Larsen, and Roth, were indicted for conspiracy to violate sections 100, 101, 234, and 235 of title 18 of the United States Code.

Section 101 is as follows:

"Section 101 of title 18—Receiving stolen public property: Whoever shall receive, conceal, or aid in concealing, or shall have or retain in his possession with intent to convert to his own use or gain, any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, which has theretofore been embezzled, stolen, or purloined by any other person, knowing the same to have been so embezzled, stolen, or purloined, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both; and such person may be tried either before or after the conviction of the principal offender."

In the case of Mr. Roth, the Government entered a nolle prosequi.

In the case against Larsen, as stated by the majority report, a fine of $500 was suggested by the attorneys for the Department of Justice, and was imposed by the court after a plea of nollo contendere was offered by the defendant and accepted by the court.

Jaffe entered a plea of guilty to the indictment, and a fine of $5,000 was recommended by the United States Attorney R. M. Hitchcock, as stated in the majority report. The court imposed a fine of $2,500, which was the figure suggested and requested by Jaffe's own attorney.

I can agree with the committee report in part. I disagree with some of the conclusions drawn.

When Larsen was arrested at his home in Washington, D. C., the documents found in his possession and seized included "93 from the files of, or prepared by, the State Department, including 14 originals or duplicate originals and 5 copies of a secret classification; 13 originals or duplicate originals and 3 copies of a confidential classification; 144 from the files of, or prepared by, ONI, including 7 originals or duplicate originals of a secret classification and 24 originals or duplicate originals and 3 copies of a confidential classification; 8 from the files of, or prepared by, MID, including 1 secret original or duplicate original and 1 copy of a secret classification and 2 copies of a confidential classification; 9 from the files of, or prepared by, the War Department, including 2 copies of a secret classification and 3 originals or duplicate originals of a confidential classification; 8 from the files of, or prepared by, OSS, including 1 original or duplicate original of a confidential classification."

Larsen, when arrested, was a research specialist in the Far East Division of the Department of State. The Department of State had no system worthy of the name for protecting the files of that Department. A man with a gold badge could, without question, carry away any document he wished. All he needed was a gold badge, and this could be borrowed.

I can readily understand the committee's point that there would be difficulty in convicting Roth, who is referred to in the report as a naval officer advanced in rating over the objection of men in the Department.

I can readily understand some of the difficulties that might be encountered in prosecuting Larsen, as an individual. The charge, however, was conspiracy to violate certain sections of the United States Code.

The committee report states: "Jaffe had many of the "items" in his possession at the time of his arrest, and it could be proved that Larsen, at one time, handled a few of them. This at best would only establish a prima facie case against these two."

A prima facie case is a good place to start.

The majority report cites cases where the court scrupulously guarded rights of a man when arrested or while being placed under arrest or under a search and seizure respecting his own property, but neglects to point out that the court from the beginning has drawn a clear distinction between stolen or contraband property and property belonging to the defendant himself. These papers were not the property of the defendants; these papers were not from the defendants' personal files; these papers belonged to the Government of the United States.

In the case of Mr. Jaffe, who seemed to be the principal, I am unable to see why the Government accepted a $2,500 fine. He thought the Government had a case or he would not have paid even $500. The Government thought it had a case or it would not have presented it to the grand jury. He had filed no motion to suppress. At the time of his arrest the following papers were seized in the Amerasia office in New York City: "267 prepared by the State Department, including 2 copies of a top secret classification, 20 originals or duplicate originals and 14 copies of a secret classification, and 51 originals or duplicate originals and 14 copies of a confidential classification; 50 prepared by OSS, including 2 originals or duplicate originals and 1 copy of a secret classification and 11 originals or duplicate originals of a confidential classification; 19 prepared by ONI, including 1 original or duplicate original of a secret classification and 3 originals or duplicate originals of a confidential classification; 34 prepared by MID, including 9 copies of a secret classification, 1 original or duplicate original and 11 copies of a confidential classification; 58 prepared by OWI, including 3 copies of a secret classification, 1 original or duplicate original and 4 copies of a confidential classification. Jaffe was affiliated with the National League of American Writers, American Council on Soviet Relations, National Council of American-Soviet Friendship, American League for Peace and Democracy, and American Friends of the Chinese People."

He was photographing and publishing some of them, thereby, through the medium of his magazine, at least, selling the contents of some of the classified documents of this Government at the time when the United States was fighting for its very existence. These papers were seized from Jaffe at the time of his arrest in his business establishment, where he was publishing a magazine. They were not his own documents. They were not seized as the result of searching his files. They were found in suitcases and pasteboard containers on the tables and desks of his business offices. I do not see how anybody could claim these papers were illegally seized. The circumstances clearly indicate that Roth, who had previously worked for him in this very office, was delivering papers to him. It appears that certain documents found in the possession of Jaffe at the time of his arrest were copies of official documents of various departments written in longhand by Roth or typewritten on Roth's machine. It also appears, as indicated by the majority report, and herein, supra, that Larsen at one time handled a few of the documents found in the possession of Jaffe at the time of his arrest.

Jaffe either took these documents himself, or his confederates took them for him. And two of the documents found were "top secret," so marked and so designated. I can see no point in arguing that these papers may not have been of much value. The thieves thought they were. The Government agencies so adjudged them. And the facts show that the defendants could have had their choice of any documents they wished; they were given no protection so far as the State Department was concerned.

The Justice Department attorney recommended fines, after stating in open court

that the actions of the two defendants "did not involve any element of disloyalty." Disloyalty to whom? If a man or his confederate walks into the State Department and carries away top secrets of that Department during a great war, photographs them, publishes their contents, and sells them through the medium of his magazine, few people would see anything in such conduct that would come under the title of "loyalty" to the United States.

The report undertakes to argue the weakness of the Government's case.

First: It suggests that the classification was not standardized practice. The statute says nothing about this.

Second: That few, if any, of the identifiable classified documents had any real importance in our national defense. Who is to be the judge of this? May I call attention to the fact that one of the men who testified before our committee said that possession of one of these documents in particular was a threat against the security of this country.

Third: That many of these documents had already been given publicity. I have no recollection that more than one had been given publicity, and the publication of this one so aroused the State Department officials that they started at once to investigate the leaks.

Fourth: The majority report states that many of the identifiable documents might have had their evidential value destroyed by reason of the possibility of the court's sustaining the defendant's motion attacking the warrants of arrest. This statement does not impress me, because (first) Jaffe did not file any motion to suppress, and (second) any one document possessed in violation of the statute could be sufficient.

I can agree with the committee that, under the decisions, scrupulous care has to be used that searches and seizures of a man's own papers and effects are reasonable, but it has not been pointed out to me what was unreasonable in the seizure of these papers. In any event, Mr. Jaffe and his counsel did not see fit to take any steps to suppress this evidence and the Department of Justice saw fit to present its case to the grand jury—presumably on this evidence.

The cases state that "search without a warrant is permitted, for evidence connected with the crime and found on the person arrested, or open to view in his immediate vicinity."

Our Supreme Court stated years ago that search for and seizure of stolen or forfeited goods, or goods liable to duties and concealed to avoid the payment thereof, are totally different things from a search for and seizure of a man's private tools and papers for the purpose of obtaining information therein contained, or of using them as evidence against him (*Boyd* v. *U. S.* 116 U. S. 616; 29 L. Ed. 746, 6 Sup. Ct. 524).

I can agree with the committee that there are no recommendations to be made to the Department of Justice. These cases where fines were imposed are closed.

I heartily concur in the recommendations contained in the majority report.

The zeal and efficiency of the Federal Bureau of Investigation were commendable.

I do not question the motives or the good faith of the Department of Justice, nor any of its representatives who handled these cases, but I do disagree with its judgment in estimating the strength of the Government's case against Jaffe.

FRANK FELLOWS.

ADDITIONAL MINORITY VIEWS BY RAYMOND S. SPRINGER

I desire to submit some additional views respecting the report just made by a majority of Subcommittee IV of the Judiciary Committee under House Resolution 430. This subject embraced in the report just made is treated altogether too lightly in the face of the grave situation which has and now obtains in the Department of State in our National Government.

The resolution, under which the investigation was made, directs that a "thorough investigation be made of all circumstances with rspect to the disposition of the charges of espionage and the possession of documents stolen from secret Government files which were made by the Federal Bureau of Investigation against the following individuals: Philip J. Jaffe, Kate L. Smith, John Stewart Service, Emanuel Sigurd Larsen, Andrew Roth, and Mark Gayn."

After hearings were held by the subcommittee a report was made and signed by certain members of that subcommittee, which is now on file wih the Clerk of the House of Representatives in Washington.

It is my firm and considered judgment, based upon the evidence adduced at the hearings, that the report made falls far short of expressing the views of some of the members of the subcommittee upon the subject under investigation.

Herewith, I desire to set forth my reasons for the above statement.

A. This transaction, or rather a series of transactions involved, embraces the unlawful removal of "top secret," "secret," "confidential," and "restricted" files from the Department of State, in our National Government. This is a very serious offense. In time of war, this is a most serious offense. When war is in progress, or even in time of peace, it is of little or no concern whether the files removed were "originals" or "copies," the fact that "information" of either or any classification was removed from the secret files in the Department of State and was delivered to any individual, or group of individuals, who had no lawful right to receive the same, is the essence of the offense. When that very secret information was thus unlawfully revealed to others, no matter how the same was imparted to Mr. Jaffe, whether by an original, or by copy, or by any other method, the real damage has been done.

B. There should not be any attempt made in the report to either minimize or acquit anyone from the magnitude of the act or acts committed. The report filed appears to at least attempt to either minimize or completely justify some of the unlawful acts which were undoubtedly committed.

C. The evidence introduced at the hearings shows, very conclusively, that the Security Division of the Department of State is "wholly inadequate," and that the so-called security in that Department was disorganized, inadequate, and wholly incompetent. When employees left that Department, at any time, no search was made of any packages or large envelopes, or bundles, which were carried out of that Department. The evidence in the record is very clear upon that subject. If any changes or alterations have been made respecting security in that Department, which is worthy of the name of "security," the record fails to disclose the same. If any changes have been made since the hearings, I am not advised thereof.

D. It must be remembered that these documents, so unlawfully removed, were found in the office of Philip Jaffe, of New York. I do not know what the affiliations of this man Jaffe may be. Others have reported that he is at least a very strong sympathizer of communism. Regardless of what his beliefs may be, he had no right to receive any document, or any information from any document, from the Department of State. The knowledge imparted to him, and the information passed over to this man Jaffe, whoever or whatever he may be, is the unlawful act here involved.

E. The evidence presented at the hearings disclosed the sordid fact that Andrew Roth, a lieutenant (junior grade), in our Navy, was known to be a Communist by the board passing upon and granting commissions in the Navy, and that fact was so known at the time he was recommended for a commission as a lieutenant (junior grade) in the Navy.

F. The Department of State, and many of the departments of the Government, appear to "close their eyes" to communism, or those who believe in a totalitarian state, or in subversive activities, because they continue to employ them, and retain them, in the departments of Government. Those who are opposed to our form of government, and those who seek to "overthrow our form of government by force or violence" have no place in our Government, and certainly not in any office of trust or profit within our Government. The present condition wherein large numbers of employees, who are opposed to our form of government, are continued in their places of responsibility, in Government positions, is appalling. This practice is subject to censure.

G. All those who participated in any way in the removal, or attempted removal, of these documents from the Department of State—or who copied such reports and thereafter delivered such copies to Mr. Jaffe, or to any other person, not lawfully entitled to receive the same, should be prosecuted, and all those participating, in any degree in the unlawful acts under investigation, should be immediately discharged from their positions in our Government. The report should speak strongly and without any reservation upon that subject.

H. Those holding commissions in the Army or Navy who are known to be Communists, or who have participated in removing secret files, or imparting secret information, to the Communists, or to any other individual, or group of individuals are undoubtedly unfit to hold such commission—and the same should be canceled forthwith. Navy officers, either active or on reserve, who so believe or who have participated, should be dismissed and discharged.

I. The questions here involved are so grave, and the offenses so great, that no effort should be made to protect or defend those who so offended, but the report should be made both firm and strong—to speak the truth—but to place the blame where the same rightfully belongs.

I concur, wholeheartedly, with the recommendations made, in the majority report, which appear at the close thereof, set forth under subheads 1, 2, 3, 4, and 5 under article XIII. However, it is my considered judgment and opinion that the question of "loyalty" to our form of government, and to our country, should be one of the paramount qualifications for all employees in their consideration. Those whose background is unsatisfactory, or whose affiliations are questionable, or those who fail to measure up to the "acid test" as Americans, should have no place in our departments of government, and all those in charge of the many and various agencies of our Government should be so admonished and instructed.

Therefore, by reason of the fact that the report fails to speak strongly upon the matters properly under investigation, I cannot join in the approval of the report with the exception of my concurrence with the recommendations which appear under subheads 1, 2, 3, 4, and 5 under article XIII, and I submit these minority and additional views.

Respectfully submitted.

RAYMOND S. SPRINGER.

Mr. HOBBS. If you will be good enough, and if anybody who is interested will be good enough to read the report, it speaks for itself. We were then and are now, proud of our work.

Mr. DONDERO came to me and explained that it was a very difficult and delicate situation and that if the identity of his witnesses or their testi-

mony were known, it might endanger their personal safety. He requested of our subcommittee that we hold executive hearings, except only as to those witnesses who were in the departments. We, of course, agreed and he asked that we seal the record of the testimony and deliver it to the clerk of our full committee for safe keeping; for the same reasons. We were glad to do so, and we did so. We had any number of hearings of an executive character, and as far as my recollection goes that is the only time, except when we were voting on bills where open hearings had already been had, that our subcommittee ever held an executive session. But we did it because we thought the request was reasonable. I still think so. We did it gladly to accommodate ourselves to the wishes of the author of the resolution.

You will remember that the date of this report was October 23, 1946, and that the general election was in November of that same year.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be delighted to yield to my friend.

Mr. DONDERO. I think your statement as to the sealing of the investigation hearings is in error. I do not recall any such suggestion made to you or the committee, and so stated to you the other day.

I want to ask you one question at this point, if I may. Did you or the committee at any time ever have before you the statement made by the Federal Bureau of Investigation to the grand jury, on which the FBI founded its justification for the arrest of those six people involved in the Amerasia case?

Mr. HOBBS. I will be delighted to answer that or any other question. We had with us two members of the FBI who sat with us most of the time. We had the minutes of the grand jury, complete with the evidence given before the grand juries. So far as the FBI is concerned, we had the complaint that was filed by the FBI, sworn to before Judge Schweinhaut. As far as any other statement is concerned, I cannot be sure about that, but we had all of the records of the grand juries, which of course we returned to the Court.

Mr. DONDERO. Was that record complete with the statement made by the FBI, on which they justified the arrest of these six people?

Mr. HOBBS. We had the original complaint filed under oath by the FBI, and we had all of the evidence which was given to the grand juries.

Mr. DONDERO. By the FBI?

Mr. HOBBS. I do not recall the number or the names of the witnesses, but I am under the impression that the FBI agents testified before the grand jury. I do not recall that they gave us any particular statement in addition to their sworn evidence.

Mr. DONDERO. Did your committee ever determine why the case was started before one grand jury and then abandoned, and another grand jury appointed?

Mr. HOBBS. Of course we did. That was one of the first questions we asked. We found that that first grand jury, as every other grand jury in the District of Columbia, as far as my information goes, was empaneled and was to serve for 3 months. The first grand jury had served for all of the 3 months' period for which they were empaneled, except for 8 days. They had not made their final report nor returned indictments up to that time in several, or probably more than several, cases. So the foreman of the grand jury, if I recall the evidence correctly, requested that inasmuch as they had not finished their work and there would have to be a new grand jury within 8 days, and as they were tried out, and also because there was to be a new Attorney General sworn in on the 30th of June, I believe, that month, and there was to be a new Secretary of State, Hon. James F. Byrnes, sworn in on the 30th of the month, they thought that expedition would be accomplished if the Amerasia case should go over to the new grand jury, which would be empaneled a week later. They went to Hon. Tom Clark, who was not then Attorney General but was to be on the 30th of June, 8 days later, and asked if he would recommend that procedure; and he stated he would give it consideration and would consider their request.

Mr. DONDERO. Now, would my able friend say that the witnesses who came before his committee were the witnesses who testified before the grand jury, the witnesses being those who represented the FBI?

Mr. HOBBS. I will be glad to verify that and include in my remarks a positive answer to that question. I think so, but I am not sure. The ones who came before us, I think, were Mr. Ladd and Mr. Gurnea. I am shooting from the hip and from memory.

Mr. DONDERO. My able and genial friend will understand my reason for these questions is that if the FBI made these arrests—they arrested six people; four were dismissed from Government—but it was a serious repudiation of one of the greatest law-enforcing agencies in this world that they only batted 33⅓ percent. I am trying to determine whether or not before the committee of which the gentleman from Alabama was the chairman, the witnesses who represented the FBI made a statement to the gentleman's committee of the facts and the evidence on which they based or justified the arrest of these six people?

Mr. HOBBS. And my answer to that reiteration of the gentleman's question is the same as it was originally, to wit: That I know that we had all of the testimony given before the grand jury or either grand jury, but I am not sure that the FBI agents did or did not in addition to what they swore down in the grand jury and what they testified before our subcommittee give a statement.

Mr. DONDERO. The Members will remember at the time that matter came up at least the public press indicated that some statement was made by the FBI that their case was airtight. We now discover that it was not airtight.

Mr. HOBBS. I have no such recollection, and I do not believe that any reputable person would make such a statement.

In compliance with my promise concerning the FBI I have since looked through my file and found this quotation from a memorandum furnished me by the FBI dated May 29, 1945:

> In addition to the above, there are many contacts and associates of this group who are known to have been instrumental in this conspiracy to extract confidential documents from the Government files in Washington. However, as yet it is not believed there is sufficient admissible evidence to prosecute these individuals at this time. It is anticipated that a considerable amount of additional evidence will, of course, be developed following such time and if prosecutive action is instituted against the above four principals.

Six arrests were made on June 6, 1945.

I can find no record of the witnesses from the FBI who appeared and testified before the grand jury. All these records were returned to the court.

Mr. DONDERO. I only refer to the statement that appeared in the public press at the time: I do not say that it was made by the FBI; I do not know, of course.

Mr. HOBBS. There are a great many statements appearing in the public press that I would not like to be called upon to vouch for.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I shall be delighted to yield.

Mr. COX. With the gentleman from Michigan [Mr. DONDERO] consenting, would the gentleman from Alabama have any objection to unsealing and making public the evidence taken in the executive session of his committee?

Mr. DONDERO. That is for the chairman to answer.

Mr. HOBBS. He is asking the gentleman from Michigan.

Mr. COX. No; I am asking the gentleman who has the floor. Shall I repeat the question?

Mr. HOBBS. I understood the question perfectly.

My answer to that is that the secret testimony that was taken and sealed at Mr. DONDERO's request—and I have two or three witnesses here who heard him make the statement in our subcommittee room——

Mr. COX. But with him now consenting would the gentleman and his committee make public the evidence taken by his committee in executive session?

Mr. HOBBS. We would be glad to do it, as we would have been at any time from that minute to now.

Mr. COX. Will the gentleman permit this brief observation? I regret that the gentleman has seen fit to discuss this Amerasia case in public because it is a nasty mess that the more you stir the worse it smells. I repeat, I regret that the gentleman has seen fit to take the floor to discuss it.

Mr. HOBBS. As always, I am delighted to have any criticism from the distinguished gentleman from Georgia; but may I say I am not doing this at my own instance. I have been requested to do this by any number of Members of this House on both sides of the aisle.

Mr. HUBER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman from Ohio.

Mr. HUBER. First of all, I wish to compliment the gentleman for any action he takes, which he does as an American. I know of no Member of the House more zealous in his effort to stamp out subversive groups than is the gentleman from Alabama.

Mr. HOBBS. I thank the gentleman.

Mr. HUBER. These hearings occurred during the Seventy-ninth Congress?

Mr. HOBBS. They occurred in 1946. I do not know whether that was the Seventy-ninth Congress or not. I think it was.

Mr. HUBER. Does the gentleman know whether there was any effort in succeeding Congresses, for instance the Eightieth Congress, to delve back into this matter and see if anything was wrong, anything that smelled bad?

Mr. HOBBS. I know there was not and I know that there never has been a word said, nor a question asked from the time the final report was filed by Subcommittee No. IV, which investigated this matter until the present year when it broke in the newspapers and we began to hear much about it.

Mr. HUBER. I happened to tune in on television yesterday to the program Meet the Press, which I think is more of a political vehicle than anything else; at any rate, Mr. Frank Bielaski was testifying. He was asked by one of those on the panel whether or not he had read this statement and report of the committee. He said it had only been available to him in the last few days. How long has that report been available to any citizen who wanted to obtain it from the document room?

Mr. HOBBS. It was filed on October 23, 1946. A thousand copies were printed. It is a House document and has been public property from that good hour until this. It was delivered by the Public Printer to the Clerk of the House.

Mr. DONDERO. My good friend from Ohio brought up the name of Mr. Frank Bielaski, who testified or made a statement yesterday. I notice the public press carries the statement that he said there was definitely an effort made to whitewash that case, and he felt it was never thoroughly and completely investigated. He was the first man who made the raid on the Jaffe office in New York when these documents were found, documents that have been stolen from three departments of the Government. He was the undercover man of the OSS of the United States Government doing secret work. That was his statement last night.

Mr. HOBBS. I am so thrilled that the gentleman makes that statement now. Mr. Frank Bielaski was introduced to our subcommittee by the gentleman under the name of Brooks. He was the first witness that we examined, and he gave his name under oath.

Mr. ROONEY. Does the gentleman say Bielaski?

Mr. HOBBS. I did not say Bielaski. I said Brooks. But now the gentleman from Michigan [Mr. DONDERO] has assured me that the man whom he introduced to us as Brooks and who testified as Brooks before our subcommittee was named Frank Bielaski. He never even gave his first name when he was before our subcommittee.

Mr. DONDERO. Is it not a matter of common knowledge that undercover men do not always give their right names?

Mr. HOBBS. That was one of the reasons that you gave me, because of the danger that might inure to any witness whose identity was known.

Mr. COX. Let me ask the gentleman, Will the gentleman from Michigan give his consent to making public the record and the testimony taken in executive session?

Mr. DONDERO. I have not even requested to my personal knowledge that it be kept secret.

Mr. COX. Has the gentleman any objection to its being made known now?

Mr. DONDERO. Not a single word of it.

Mr. COX. The gentleman from Alabama said that if the gentleman will give his consent he will make it known.

Mr. DONDERO. If that is necessary. I have not assumed it would be necessary. You can turn over every word you have.

Mr. HOBBS. The gentleman told me that, I am delighted to assure the House, about 10 days ago, and acting on that I have it here and will be glad to make it public. But he also asked before he would produce the witness, that the testimony be sealed and kept secret. There is the photostatic copy.

Mr. COX. Is this to be public property from now on?

Mr. HOBBS. Sure.

But now I want to say some more about Frank Bielaski, which we discover now his name is. We thought it was Brooks. He was sworn as Brooks and gave his name as Brooks, and testified as Brooks. Now let me tell you something about him. He is the real cause of the light punishments that were meted out to those people, the three of them that were indicted, and the two that paid fines. Mr. Bielaski, alias Brooks, made a raid without a search warrant, and not only one, but several, on the Amerasia offices. I certainly hold no brief for the Amerasia people. I just as heartily detest them as you do. But he made the raid without a search warrant and without a warrant of arrest that would support a search, and he swore before us that he made the raid in aid of an arrest, although he made his first raid from 2 to 3 months before any arrest.

So it was that if—and I want you to get this, if the 1,700 documents that were involved in this case, allegedly, were as bad as some people would have you believe—as a matter of fact, most of them, I think 8 out of 10, had already been published and many of them were just as innocuous from the standpoint of national defense as anything could be. One of them was a scandal sheet sent in about the relations between Generalissimo Chiang Kai-shek and his wife.

Mr. FELLOWS. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will always have to, and I will be glad to. The gentleman was a distinguished member of the subcommittee, and I have always appreciated his friendship and his honor, and I will be glad to yield to him at any time.

Mr. FELLOWS. When these documents were being taken from the departments of Government and carried to New York to the office of Amerasia, which was being run by Mr. Jaffe, with others, the Battle of the Bulge was going on at that time, was it not?

Mr. HOBBS. I am not able to say. I am perfectly sure that there is not one scintilla of evidence that any one of these documents was even taken to the Amerasia office. I think that the nearest approach, if you will refresh your recollection about any such conclusion, was that the alleged conspirators were seen to associate together in the hotel lobbies and dining rooms of this city.

Mr. FELLOWS. I know; but the FBI found a lot of documents, hundreds of them, according to the gentleman's own report, in the Amerasia office in New York; that is true, is it not?

Mr. HOBBS. I do not think so. I think it was the OSS, under the leadership of Mr. Brooks, alias Bielaski, whatever his name is.

Mr. FELLOWS. Is it not the gentleman's memory that Mr. Brooks said he took only a few of them because he felt that his chief, Mr. Donovan, would not believe his story if he did not take a few, so he took only a few from that office to his chief to prove the story? I think that is a fact.

Mr. HOBBS. During the first raid it is true, and he brought only a few at that time, but eventually he brought most of them.

Mr. FELLOWS. Yes, but they found hundreds in the office of Amerasia.

Mr. HOBBS. I think that they found hundreds is literally true.

Mr. FELLOWS. Is it not true they had a special prosecutor by the name of Hitchcock who was prosecuting that case?

Mr. HOBBS. Yes, sir.

Mr. FELLOWS. The gentleman recalls that we had a copy of the stenographic record of the court proceedings.

Mr. HOBBS. Yes, sir.

Mr. FELLOWS. Does the gentleman remember that Mr. Hitchcock testified to this effect, that the Department recommended fines, and so forth, and then he stated, and I quote from my own minority report, that the actions of the two defendants "did not involve any element of disloyalty." Does the gentleman recall that?

Mr. HOBBS. Yes, sir.

Mr. FELLOWS. Was not that a surprising statement?

Mr. HOBBS. It was a shocking statement, and his explanation has never satisfied me, but the explanation which he gave was that these documents, and no one of the 1,700 of them, were ever traced to anyone. The suspicion was that some of the accused were Russian sympathizers; but Russia was our ally against Germany then, and by holding Stalingrad gave us time to get ready. The day before this prosecution started we gave Russia $11,000,000,000 worth of lend-lease.

Mr. COX. Is this man Hitchcock, to whom the gentleman refers, the same

Hitchcock that formed a partnership with the uncle of the Mitchell woman who was involved in this Amerasia raid?

Mr. HOBBS. He did a year later. I am delighted the gentleman asked that question. He was considered as the best Federal prosecutor in the United States. He was brought down here on loan from Buffalo, where he had lived all his life, so far as I know. He had finished the prosecution of the Amerasia cases, and this lady to whom the gentleman refers, Mrs. Whatever-her-name-is——

Mr. COX. A confessed Communist.

Mr. HOBBS. I do not know about that. All I am going by is the record. She has been discharged by the grand jury. There never was a single indictment found by any grand jury or either of them against her, and the cases were finally disposed of.

Mr. COX. Did the gentleman's committee have before it a statement from the FBI giving reasons why Miss Mitchell was not prosecuted or was not indicted?

Mr. HOBBS. No, sir.

Mr. COX. I shall seek time to address the House, and I will undertake to give the public a lot of information that probably you did not have.

Mr. HOBBS. I know why she was not indicted. It was because they could not get the grand jury to vote to indict her. I know the evidence upon which they acted. I am perfectly sure that whether she be a Communist or not, she is entitled to the truth with regard to the record. I know that they will get it from the gentleman; therefore, I welcome any statement he cares to make.

Robert M. Hitchcock joined the Department of Justice as Assistant United States Attorney at Buffalo on March 5, 1935, and was the principal assistant up there until 1943 when he was brought down on loan as a Special Assistant to the Attorney General to try the security cases.

After being here approximately a year and a half he returned to his position in Buffalo and was there in June of 1945. When the Amerasia case broke he was asked to head up the prosecution of it and he agreed and returned to Washington. After the conclusion of the Amerasia case or even before its conclusion, he returned to Buffalo in about September 1945, but continued his supervision of the case by coming back to Washington whenever it required attention. He was present the last time on November 2, 1945, when Larsen pleaded nolo contendere.

He continued to work in the United States Attorney's office until December 1946. At that time he was probably the outstanding Federal trial attorney in Buffalo. Kenefick, Cooke, Mitchell, Bass, & Letchworth, Marine Trust Building, in Buffalo, was the outstanding and biggest law firm in Buffalo, representing General Motors, United States Steel, and most of the big corporations. In December 1946, Mr. Bass of that firm contacted Mr. Hitchcock and stated that his firm was being inundated or swamped with "portal to portal" suits being brought against their corporate clients. He was trying to locate the outstanding Federal trial attorney in Buffalo and had made numerous inquiries and was told by almost everyone that Mr. Hitchcock was the outstanding Federal trial attorney in Buffalo. He thereupon offered Mr. Hitchcock a position with the firm as a trial attorney to handle "portal to portal" suits. Mr. Hitchcock, knowing the nature of the firm, told Mr. Bass that he would like to inform him of three things: "You know I am a Democrat." This because the law firm was Republican. Mr. Bass said, "I know that." Mr. Hitchcock said, "I want you to know that I am a Roman Catholic." Knowing that the firm did not employ many Roman Catholics. Mr. Bass said, "I know that." Hitchcock said thirdly he was connected with the prosecution of Mrs. Mitchell, who was either a niece or granddaughter of Mr. Mitchell, member of the firm. Mr. Bass said he did not know that, and they continued negotiations for about a month and Mr. Hitchcock went with the firm in January 1947 as a trial attorney in the "portal to portal" cases.

Hitchcock was asked whether or not Mr. Bass ever informed his partner Mr. Mitchell about Mr. Hitchcock's connection with the Amerasia case. Mr. Bass states that he does not have any recollection of having informed Mr. Mitchell of that fact and explained at that time he was not on very good terms with his partner, Mr. Mitchell, and the likelihood is that he did not. Mr. Mitchell died last year.

His niece or granddaughter was not indicted. Final report of subcommittee had been made on October 23, 1946.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be delighted to yield. I am sorry to have kept the gentleman waiting so long. I just love him and I want to do whatever he wants.

Mr. BROWN of Ohio. I think the gentleman from Alabama knows the profound respect and affection in which I hold him, both as a Member of Congress and as a lawyer.

Mr. HOBBS. It is purely mutual.

Mr. BROWN of Ohio. It has been a long time since I have studied law, but I am hard put to understand what difference it makes whether the witness that appeared before the gentleman's committee went by the name of Brooks or by the name of Bielaski.

Mr. HOBBS. Practically none.

Mr. BROWN of Ohio. It seems to me the only fact that should count there is whether the man was giving the committee the truth and whether he had discovered a nest of traitors to this country in operation.

So what difference does it make? Why stress what the man's name was? I know many, many undercover men who went under different names during the war.

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama be permitted to proceed for an additional 15 minutes.

The SPEAKER pro tempore. With the consent of those Members who have special orders, and without objection, the gentleman may proceed for fifteen additional minutes.

There was no objection.

Mr. BROWN of Ohio. I cannot understand what difference it would make. Many men went under different names during the war in this undercover work which was being done by the FBI, the OSS, and the ONI and all these other intelligence agencies. Neither can I understand the gentleman's statement that there was not a scintilla of evidence, if that is correct. Why, under those circumstances, if the Government had no case against them, would Mr. Jaffe go in and plead guilty?

Mr. HOBBS. I beg the gentleman's pardon. I did not say there was not a scintilla of evidence against Jaffe. No. I am saying that what Brooks or Bielaski got by illegal search and seizure was not admissible in evidence.

Mr. BROWN of Ohio. Of course what the FBI got was many, many times more than what Mr. Bielaski or Mr. Brooks, or whatever his name might be, was using in his official capacity. That was submitted, was it not?

Mr. HOBBS. I do not think so. I think the OSS raids got most.

Mr. BROWN of Ohio. My understanding is that it was as I stated.

Mr. HOBBS. My recollection is that the OSS, through its secret agent, Mr. Bielaski, or whatever his name is, got practically all of the documents.

Mr. BROWN of Ohio. No; that is not the testimony, neither is it the report of the gentleman's committee. I am afraid the gentleman has not refreshed his memory, and the facts are, seemingly, from your report, that the FBI got the great mass of this evidence after Mr. Bielaski had gone to them and told them that he reported to Mr. Donovan what the situation was. That was the evidence that was submitted to the grand jury. Because of my great respect for the gentleman, will he permit me to make a 1-minute statement at this point?

Mr. HOBBS. Of course.

Mr. BROWN of Ohio. Because I have such respect for the gentleman, for his ability and his loyalty and integrity, I am really grieved by the position that he has taken here today because there is a feeling throughout the country and the press that there has been a cover-up of this Amerasia case. Last week there were sly little rumors floating around the cloakrooms of the Capitol—many of the Members know it—that the "fix" had been put on again so that the whole thing would be whitewashed once more and would be smothered again, and that there would be no further investigation. Whether those charges are all true or not, I do not know, but they reflect upon the integrity of some people who are rather high in this Government. If they are true, they endanger the safety of this country. It seems to me the position all of us should take in the Congress is to endeavor to ascertain, and I am sure that is the position of the gentleman, the truth; and certainly we should attempt to get to the bottom of these things.

Mr. HOBBS. Surely.

Mr. BROWN of Ohio. And we should let the chips fall where they may and let

us stop this business of trying to cover up men who have not been truly patriotic. I do not mean that the gentleman has been doing that. I do not feel you are.

Mr. HOBBS. I do not think there is anyone on our committee who has been trying to do that.

Mr. BROWN of Ohio. But as long as the country, and as long as the press feels that that condition exists, we should be most zealous to prove that it does not exist.

Mr. HOBBS. You are exactly right. Of course we welcome absolutely the kleig-light of publicity and all the investigation that you can make. I am just as cordially in favor of that as you are.

Mr. BROWN of Ohio. I am sure the gentleman is because I think he is a patriotic American.

Mr. HOBBS. So is the gentleman from Maine, FRANK FELLOWS, and so is the gentleman from Ohio, MIKE FEIGHAN, and so is the gentleman from Kentucky, FRANK CHELF. So were all of our committee members. We will vote for any resolution that you bring in here.

Mr. BROWN of Ohio. You will join in attempting to bring this out?

Mr. HOBBS. Surely.

Mr. BROWN of Ohio. And whether these charges are true or not, the effort should be made to scotch these ugly rumors floating around of the "fix" being on once more, and that this whole thing is going to be smothered and whitewashed again.

Mr. HOBBS. There has been no attempt to smother or whitewash. I resent that imputation.

Mr. COX. Mr. Speaker, will the gentleman yield once more so that I may make my position clear? I am not taking any part in the discussion as to whether there was any covering up or whether there was any fixing. But I do seriously insist that the prosecutor did make a serious blunder in not using the proofs of illegal searches or illegal arrests.

I think the Department was narrow, and if the case had been developed, the State Department would have been involved up to its ears.

Mr. HOBBS. I am delighted to yield to the gentleman but I cannot allow him to take his seat without saying that I disagree with him emphatically as to every word of that statement. I am sure the gentleman is mistaken.

Mr. O'SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. Yes, sir, I am happy to yield.

Mr. O'SULLIVAN. Was all of the evidence produced in the Amerasia case evidence growing out of three unlawful searches and seizures?

Mr. HOBBS. In my judgment, three or more, and I am coming to that right now.

Mr. O'SULLIVAN. I wonder why anybody pleaded guilty if that were true. They could have filed a petition to suppress the evidence, and any court in the land would have sustained it, and there would have been no conviction.

Mr. HOBBS. That is right, of course.

Mr. O'SULLIVAN. Time after time occasion has arisen when guilty men still have their constitutional rights, and they can suppress evidence, and any evidence growing out of the suppression of the evidence is also suppressed.

Mr. DONDERO. Mr. Speaker, will the gentleman yield further, while the gentleman has the floor?

Mr. HOBBS. I will not have the floor much longer. I will appreciate it if the gentleman will be brief.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that, if the record that the gentleman from Alabama has presented is testimony before his committee, that testimony be placed in the CONGRESSIONAL RECORD.

Mr. HOBBS. I am delighted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOBBS. Mr. Speaker, I am delighted that the gentleman made that request, and I am so glad that it has been granted.

Now, if I may, I would like to proceed without interruption for just a few minutes. The Dondero resolution, House Resolution 430, instructed us as follows, and I quote:

> To make a thorough investigation of all circumstances with respect to the disposition of charges of espionage and possession of documents stolen from secret Government files.

Those were the two things, and I want you to remember this, not a single indictment against the six was found for espionage. Not a single indictment for espionage was ever found. There was not enough evidence to sustain that kind of a charge at all before anyone, no matter how biased he might be.

I wish categorically to make this statement: There never has been a word of testimony from the FBI or from any other source that a single one of these documents was ever stolen.

Mr. DONDERO. Will the gentleman yield there?

Mr. HOBBS. Yes, I am glad to yield.

Mr. DONDERO. How did those documents get out of the files of the Government and be found 257 miles away from Washington?

Mr. HOBBS. They did not get out through any thievery or anything of that sort. They got out of there by reason of employees of the department, with "gold badges," that had authority to go in and out in the daytime or night, and take anything they wanted, and never be stopped, even by one of the guards, for a question.

Mr. DONDERO. That is a serious reflection on our Government.

Mr. HOBBS. That is what we said in our committee report.

Mr. TABER. Mr. Speaker, will the gentleman yield there?

Mr. HOBBS. Why certainly, sir. It is always a pleasure to yield to you.

Mr. TABER. Why did this man Jaffe plead guilty if there was not anything of that kind going on? That is what he was charged with.

Mr. HOBBS. No, sir; I beg your pardon. The affidavit charged espionage, to which he pleaded not guilty. But when the indictment was found and was changed so that it was the illegal possession of Government documents he did plead guilty and was fined $2,500.

Mr. TABER. If it was illegal to get it how did he obtain it unless there was some connivance or illegality in connection with it?

Mr. HOBBS. It was not illegal to get it, and I have just stated that. Any man in the State Department with a gold badge could go into any 1 of 14 buildings occupied by the State Department and take anything and they could not even ask him a question, and he could take anything out of there he wanted in daytime or nighttime. Let me tell you that the criticisms which we levy in our report against the Department should be read, and that is in the record. I want you to read them, but I want to tell you a little bit about these documents.

Classifications, there are four of them: "Top secret," "Secret," "Confidential," and "Restricted." We never saw a single "Top secret" mark on any paper; neither did anyone else that I know of. Testimony was abundant that the classifications used in our Government were put on in the foreign field by agents in the Foreign Service without any possible check; in other words, they could put on anything they wanted to, and if they wanted to get it back here quick they would put it in the diplomatic pouch and mark it any kind of those four classifications and it would come quick. If they wanted to write a letter to the wife, if they had been negligent and had not written her for 2 or 3 weeks and she was getting restless and kicking because she had not heard, he would put the letter in the diplomatic pouch with some document that had been upgraded. That is the evidence, and all of this stuff about those documents—not one word—and no one has testified to a syllable that will show that any one of them had been stolen or was stolen.

I want to say one other word which may escape your thinking if I do not at this time: Although no connection with Russia has been shown, I believe with the gentleman from Georgia [Mr. Cox], that there was a vital connection, because here was a little magazine losing $5,000 a month, and still they had all of this magnificent equipment for duplication and they had all of these locked files that cost them thousands and thousands of dollars. I believe I know well where the money came from, and I think everyone else will agree that there was something terribly phony about that outfit. But I am saying that there never was a word of any proof that shows a single document to have been stolen, and that our report is right when we say that there was practically no security regulations worthy of the name, and that we ought to have an absolute overhaul of every personnel department. If we cannot run this Government with honest-to-God Americans, then we had better close it because we do not need to take a chance and we should not do it, and we also ought to insist upon a proper "classification" of our Government documents and we ought not to let them lie about, where people can take them and get by with it.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield, I want to say that the gentleman now is talking like the SAM HOBBS I have always known and always respected.

Mr. HOBBS. I thank you, sir, and I appreciate that. But I want to say just another word, and this will conclude my statement; I want to clear up something that is evidently bothering some people. It is not alone the absence of a search warrant that makes a search illegal.

Read the report that has been a House Document since 1946. Read the law we there quote and cite the authorities which were all there then. See pages 5, 6 and 7 of the Report 2732 now printed in today's RECORD. Please read also the decisions that have been handed down since: In re: Fried (161 Fed. (2d) 453), *Harris* v. *U. S.* (331 U. S. 145), *Davis* v. *U. S.* (328, U. S. 582), *Trupiano* v. *U. S.* (334 U. S. 699).

If you have a warrant isued by a judge for the arrest of a man, that still does not give you the right to make any illegal search or seizure. Why, just on the 12th day of this month Judge Holtzoff discharged a man because of an illegal seizure, although he pointed out that the warrant of arrest was issued and that it was in aid and after the warrant of arrest. These raids were 3 months, some of them, before any warrant of arrest and they swore to us it was in aid of arrest under a lawful warrant. We found out that the warrant under which these folk were arrested stated no facts at all. It simply says that the affiant has reasonable cause for believing and does believe that there is a conspiracy to do so and so.

Judge Alexander Holtzoff held on the 12th day of May 1950, that could not be done unless the affiant seeking the warrant of arrest and getting it, had averred under oath facts justifying the court in believing that the alleged offense had been committed.

Mr. COX. Are the courts now holding that the fruits of a legal arrest are not admissible in testimony?

Mr. HOBBS. No, sir, and they never have held so. The fruits of a legal arrest are admissible, but no search and seizure—under the sworn evidence in this case—some of them 3 months before any arrest, could possibly be valid because in aid of the arrests that were later made. There was no statement of fact. That is just exactly what Judge Holtzoff held on the 12th day of this month.

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 3 minutes.

Mr. CRAWFORD. Mr. Speaker, reserving the right to object, I have a special order for 20 minutes. The House is very anxious to adjourn at 4 o'clock. There are several others who have special orders and if we are to adjourn at that time we must have 2 or 3 minutes.

The SPEAKER pro tempore. The Chair may say that it is hoped we can adjourn at 4 o'clock because of the "I Am an American Day" exercises. There are three other special orders.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. I want to ask the gentleman this question, if he does not agree with me that the FBI is looked upon in this country as one of the most efficient agencies of the Federal Government? It is almost incredible to believe it would take action in arresting six people without the necessary legal warrant to do so, or find themselves in a position that what they did was entirely illegal. Does not the gentleman agree with me on that?

Mr. HOBBS. No, sir. I agree with the gentleman wholeheartedly in his commendation and laudation of the FBI. I think it is a wonderful organization, but I will not be tricked into building presumption on presumption. I am saying that the record shows that they did in these cases exactly what the question of the gentleman hypothesizes.

Mr. DONDERO. That is rather hard to believe in face of the record that the FBI has made in this country for efficiency.

Mr. HOBBS. The affidavit to the complaint made before Judge Schweinhaut which he approved showed that they did not state facts upon which the arrest was predicated.

Mr. HUBER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I yield to the gentleman from Ohio.

Mr. HUBER. The gentleman agrees with me that whether it is Amerasia or any other group that is un-American, that they should be vigorously prosecuted. But, as the gentleman from Alabama sees it, you should not use illegal means to prosecute.

Mr. HOBBS. The end sought cannot legally justify the means if they be illegal.

Mr. COX. The gentleman has noticed, however, that every time a Red is attacked, he comes under the Constitution.

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for one additional minute as a matter of personal privilege.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. I have not talked to these gentlemen about it, but I want to ask them to rise and state to this House—that is, the gentleman from Kentucky [Mr. CHELF], the gentleman from Ohio [Mr. FEIGHAN], and the gentleman from Maine [Mr. FELLOWS]—if there was or was not a statement made by the gentleman from Michigan [Mr. DONDERO], to our subcommittee, in my office, substantially in accord with what I have stated; that our hearings be executive, and that the hearings be sealed.

Mr. CHELF. So far as I am concerned, I do not recall the gentleman from Michigan [Mr. DONDERO] having said it to me, but it has always been my understanding that the hearings were to have been secret; that the records were supposed to have been sealed and then submitted to the Clerk of the House. That was my understanding then and it is my understanding now. I did not know anything about the desire of the gentleman from Michigan to make this thing public until the gentleman made the statement just a few minutes ago during the course of the debate.

Mr. FEIGHAN. To the best of my recollection, I subscribe wholeheartedly to the gentleman's interpretation of the proceedings that they were to be secret and also that they were to be sealed. I recall, too, that subsequently there was an effort to obtain copies of these proceedings by certain gentlemen who were interested in a criminal case, and if I recall correctly, the gentleman gathered together the members of the subcommittee, and we discussed that matter and decided that they should be kept secret and remain sealed.

Mr. HOBBS. The gentleman was present.

Mr. FEIGHAN. Yes.

Mr. HOBBS. Because of the request of the gentleman from Michigan; and that was in the Hiss case.

Mr. FELLOWS. I remember that they were to be secret, because my distinguished chairman who stands before me said that they were to be secret. I do not recall the statement of the gentleman from Michigan [Mr. DONDERO] concerning sealing these documents, but he may have done that. I have only the greatest respect in the world for the chairman of this subcommittee, the gentleman from Alabama [Mr. HOBBS], for whom we all entertain great respect.

Mr. HOBBS. I thank the gentleman.

Mr. CHELF. I feel exactly the same way as the gentleman from Maine [Mr. FELLOWS].

I have implicit confidence in the integrity and ability of the gentleman from Alabama [Mr. HOBBS]; I had then and I have now. What he says is good enough for me, for his word is his bond. There has been no attempt at any time on your part [Mr. HOBBS], or mine, or the gentleman from Ohio [Mr. FEIGHAN], the gentleman from Maine [Mr. FELLOWS], or, bless the memory of Mr. Springer and Mr. Hancock, who are now deceased but who served on this subcommittee, to whitewash any Red at any time. We sincerely welcome an opportunity to publicly release the entire hearings. It speaks for itself as to what, when, where, and how this case was handled by the Justice Department.

Mr. HOBBS. I want to read you what I said when Mr. Brooks was brought in and was put on the stand:

> This is an executive session of the worst kind, or of the best kind, as you please. We will have to watch our step because, of course, neither Mr. Brooks' identity or his testimony can be disclosed to anyone. It is strictly off the record.

I am reading from the photostatic copy of the original stenographic record.

Mr. FELLOWS. And Mr. Brooks, so-called, gave a reason why he did not want his real name used; that he was

then investigating another case, and to have his real name disclosed would reflect upon him and his effort. That is in the record, I think.

Mr. HOBBS. It may be; I do not recall that. But, I do recall that the gentleman from Michigan [Mr. DONDERO] told me that it would be the risk of his life if his identity were known.

HOUSE RESOLUTION 430

FRIDAY, MAY 10, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE
ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10:30 o'clock a. m., Hon. SAM HOBBS (chairman), presiding.

Mr. HOBBS. This subcommittee is here today to consider House Resolution 430. It is a resolution introduced by Mr. DONDERO. Mr. Dondero's resolution was referred to our committee.

You are all familiar with this question. Mr. Brooks is testifying before us today absolutely off the record. This is an executive session of the worst kind, or, of the best kind. We will have to watch our step because, of course, neither Mr. Brooks' identity nor his testimony can be disclosed. It is strictly off the record.

Mr. Brooks, will you be kind enough to give us your name and the capacity in which you appear?

Mr. BROOKS. I have been, since the start of the war, special adviser to the Security Office of the Office of Strategic Services. I organized a special investigating force throughout the United States. I have directed it from the time they started to operate until the Office of Strategic Services was discontinued as of October 1, 1945.

I still am in the same capacity with the Strategic Service Unit of the War Department. I continued in the same capacity. It is under the War Department.

Mr. HANCOCK. Did you say when you commenced that?

Mr. BROOKS. The outbreak of the war, early in 1942. This is my fifth year.

Most of the work of that organization has been undercover, although some of it has not. Most of the agents, either paid agents or voluntary agents, are former agents of the Federal Bureau of Investigation. I think they are a very high type force of men, if I may say so.

I was acting as adviser in February 1945, with an undercover office in New York City when the security officer of the Office of Strategic Services came to see me and told me that he had a very serious problem. It was not the first one of the same kind, but it was further evidence that there was a serious leak of confidential information in the Office of Strategic Services. They did not know what to do about it.

This particular instance had been brought to their attention by either the British Information Service or the British Intelligence Service. They are practically the same thing.

Mr. CHELF. That was at the time we were at war with Japan and Germany?

Mr. BROOKS. Yes, February 28, 1945, was the exact date he came to my office.

He told me that the cause of the complaint from the British was an article which had appeared in Amerasia magazine. The exact date of its publication, I do not recall. It was previous to this time. The magazine was published once a month, spasmodically. It does not have an exact date of publication. He brought a copy of that magazine to me. He showed me an article in it which concerned Thailand and, more particularly, the reasons why the British policy and the American policy could never be harmonized.

It was a very intelligent article, but it was a very undiplomatic article. And almost word for word in places it had copied a secret document of the Office of Strategic Services.

He brought me the secret document, too. For myself, I could compare the wording of the document and the wording of the article. It was perfectly obvious the man had not taken the trouble to rephrase it. Fifteen basic points were brought out. He may have put No. 1 last. He had the whole 15 there. The wording, in many places, was identical. There was no question that he had had access to the secret document.

They told me something had to be done about it. Something had to be done to plug this leak. They wanted me to come down here to Washington and place under surveillance every person who had access to that secret document. I asked him for a list of the persons. It was evident there were about 30 that had the document, and counting their secretaries and assistants, probably, it would have been 100 persons who might have known what was in this secret document.

Figuring it takes about 10 persons to watch one, I figured I had to have 1,000 men. I never had more than 20 in my particular office at the time. It was out of the question to place people under surveillance.

However, I promised something would be done about it. The security officer, who was then Mr. Van Beuren of 640 Park Avenue, New York City, came back to Washington, and left the matter in my hands. I studied it very carefully. I finally came to the conclusion that the only way to get facts would be to go right to the fountainhead of information, and then into the office of Amerasia. I decided that was the thing to do, to see what I could find there.

What I wanted to do was to see the so-called dummy that they make up for each edition of the magazine. We would see if they had such a dummy, and then try to find if our secret document was in that dummy, and if there would be anything on the document to show through whose hands it came, and how it got in their possession.

I don't offer any apologies for the method of entering a property without due process of law. I am well aware of the restrictions. I decided to take the course of action because of the necessities.

That office at 225 Fifth Avenue. It was under surveillance for a week or 10 days. The office was operating every night until late at night. There were lights in there. We could not get in to take a look at it for that reason.

Then we made plans to enter the place under a subterfuge, not by force.

When the time came, we were let in, but we did deceive the people in the building as to who we were, and what our purpose was. We entered the building Sunday night, March 11, at about close to midnight. We were let into the office.

Mr. CHELF. Of what year?

Mr. BROOKS. Nineteen hundred and forty-five. We were let into the office of Amerasia magazine. I went myself because I did not believe in sending somebody else to do something that I would not do. We had a party of five. I personally, when we entered the office, devoted my time to looking through the office, the front office, hoping to find this dummy I have described.

I did not find it. About all I found was a lot of information on circulation. I looked over this information with some degree of care because I wanted to know about how big an operation the Amerasia magazine was.

I found, at best, their circulation had been some 2,500 copies, and it had steadily decreased. It was about 1,700. Dealer distribution had dropped from 500 to 300. It was losing money, I could tell from correspondence, and looking at the accounts.

It was perfectly obvious it was not a paying venture.

About the time I had come to the conclusion there was nothing in the front office of interest to me—while I was in the front office, I had sent some of my agents back through the rear part of the office. It is quite a nice office, and very well furnished. One of the them came and said, "We think you better come back here. We found some stuff you ought to see."

I started back. Before I went back to the rooms where they were, I observed on the right side of the main corridor there was a room; to be conservative, I would say it is half as big as this. It was devoted, exclusively, to photo copy work. They had a photo copy machine, and developer pans all around on the shelves. The place was equipped to make photo copies, and make them in large quantities.

I did not know what function that was for for a little magazine like Amerasia. There it was, and I looked it over.

I went to the end of the corridor. On the end over to the left was the room of the associate editor who was Kate Mitchell.

On the right was a smaller office of Philip Jaffe, who was the editor. Just before you came to those offices, on the right, was a large library twice as big as this with volumes all over the place dealing, principally, with the Far East, and many of them were works on communism and Communist movements, etc.

It was a library of several thousand volumes. I went into the office of Jaffe. He had a desk about like this.

It was covered with originals and freshly made photo copies of documents, every one of which was secret in its character. Some of them were directed, personally, to the Secretary of State. Some of them were from military attachés in China and other places, confidential. All of them were marked "Not to be shown OWI." That was evidence of the confidential nature.

Some were from Naval Intelligence. There were a good many on his desk. It would seem from the freshness of the copies that those photo copies had just been made. They accounted for the fact that the office was working so late at night.

Mr. HANCOCK. To whom were they addressed?

Mr. BROOKS. The State Department documents were addressed to the Secretary for his personal attention.

Mr. SPRINGER. Were they all photostatic copies, or were there any originals?

Mr. BROOKS. The originals were in there, and the photostatic copies. Everybody was astounded at this stuff.

While we were looking it over, a man happened to look behind a door. Behind the door he found a suitcase and two briefcases. The suitcase was a bellows-type suitcase that was probably that thick [indicating].

Mr. HANCOCK. Two feet?

Mr. BROOKS. About 18 inches. The briefcases were very heavy with documents. I had along an expert who opened all sorts of locks. He had opened all the locks. He opened the suitcase, the briefcases. When he opened the suitcase, it seemed to be a specially constructed affair with about 10 to 15 pockets in it. It was a bellows-type suitcase spread out in this way. It was literally loaded with secret documents of all sorts from all departments of the Government.

Mr. HANCOCK. Originals?

Mr. BROOKS. Yes. These were all originals. There were no copies in the suitcase. There was one exception; in that suitcase I found an original, a typewritten original, and four copies of the particular document that I was after, that was the Office of Strategic Services' document on Siam.

In addition to that, I think there were five more secret documents of the Office of Strategic Services which we had not missed, one of which was "top secret," and extremely valuable and confidential.

I took this stuff out and spread it around. It covered almost every department in the

Government with the exception of the Federal Bureau of Investigation. There were no documents from the Federal Bureau of Investigation. There were documents from the British Intelligence, Naval Intelligence, G-2, State Department, Office of Censorship, Office of Strategic Services, and probably others. There were so many of them, at that moment, I started to have a list made. There were so many we could not list them. These documents had from 3 to 4 to 150 pages. There were 300 documents.

Mr. CHELF. Either confidential, secret, or top secret?

Mr. BROOKS. Every one of them bore the stamp that the possession of these documents is a violation of the Espionage Act. It was stamped all over them.

About that time, one of my men who had gone into the library came in and said he found something in the library.

He had an envelope which was not sealed. It was a large manila envelope. In that envelope were, I should say, 15 or 20 documents. I could not tell whether they came mimeographed or whether they were photo copied on this machine. They were a little blurred. They were not photostats. They must have been photo copies. In between these documents, every other one, we found six top secret documents of the Navy Department. I looked at these myself. I do not recall all six of them. I am sorry I did not make more notes about them, but I remember distinctly two, probably the first two that I read. One of them was entitled, and I do not know the exact words, but one was entitled, "The bombing program for Japan." It was top secret. I read it. It showed how Japan was to be bombed progressively in the industrial centers, and it named the cities.

The second one that I read gave the location of all the ships of the Japanese fleet, subsequent to the battle of Leyte; I guess it was October 1944. It gave the ships by name, and where they were hiding.

I might say, off the record, at that time I did not know anything about the atomic bomb. I had never heard of it. I have since been very curious trying to wrack my memory whether there was anything in those other four top secret documents. It would not have meant anything to me if it had. I had never heard of the atomic bomb. I do not remember the other information. We did not take the documents. We put them back where we got them.

We went back out into the other room. We looked over this stuff. I came to the conclusion, if I came down here to the Office of Strategic Services and told them what I had seen, they just would not believe me. I, therefore, determined to take 12 to 14 of the documents and bring them down and show them to them as proof.

I picked out all of the Office of Strategic Services' documents, including the five copies of the one that I was after, and either seven or eight additional documents. I picked documents that had marks of some sort on them to indicate through whose hands they had gone.

I put those in my pocket. I felt sure that there were so many there that they could not possibly miss those documents for a week, anyhow. I put those in my pocket. We left that place. We put everything back the way we found it. We left there about 2:30 in the morning.

I took a plane and came to Washington. I had a meeting the first thing Monday morning with the security officer. I did not, myself, make a list of those 12 or 14 documents. He did. He prepared a memorandum which is at the present time, on file with the Office of Strategic Services describing those documents and the nature of them, what is in them.

There is a memo showing exactly what I brought down here as evidence for my own office.

They were so startling that we lost sight of the first document we were searching for. The others were so much more important.

Before I could even deliver all of them, which I did one at a time because it gave me a little pleasure to do it, they had gotten in touch with General Donovan. They had the chief of the secretariat down in the office when I delivered all these papers to them, Donovan and I think the security officer. Mr. Van Beuren went immediately over to the Joint Chiefs of Staff to show them this stuff.

If not then, then that night or the following morning, Mr. Van Beuren, the security officer, went to a meeting where this stuff was shown to the Secretary of State.

I am telling you that because that was the disposition made, and because Mr. Van Beuren, to whom I was adviser at the time, was perfectly willing to come here and tell you what he knows about it and the character of the documents, and what he did with them, and what they decided to do about the case.

I made only one stipulation when I turned the stuff over to them, that was that I and my men were so apprehensive about this whole thing, that somebody must do something about it. We did not want to sit by and see this thing go on. We wanted action. We wanted it in a hurry. We thought something should be done within a week. They promised action would be taken within a week. It was only 6 days later that the Federal Bureau of Investigation moved in in New York.

Mr. Gurnea, who was an inspector for the Federal Bureau of Investigation, was sent up to take charge. He organized the various groups. He placed various persons in the Amerasia magazine, officers and staff under surveillance. They tapped the telephones. They entered the premises. I am sure they photostated all of the documents that we saw there less only those which I delivered down here to my home office.

From this on, anything I know about the case was simply because the people who were in on it simply whispered to my own men, who were former Federal Bureau of Investigation men, what was going on. It is off the record. They are not supposed to do it.

We knew, in general, what happened. But, in telling you this, I am perfectly well aware it is hearsay, and not something that I saw personally. I knew that Jaffe was placed under surveillance. I knew that they found him in communication on one occasion for 5 hours with Earl Browder. I knew that he was in conference immediately after that with Fred Kerchway. I knew that the surveillance squad, when the conference was on in San Francisco, knew that the Chinese Communist member, Chung Wu, immediately came to New York from San Francisco, got in touch with Browder, and got in touch with Jaffe. These are merely circumstances. To my mind it showed a very definite link between these people and the Communist elements of the Orient.

Browder has always been interested in communism in China. I think he was punished for passport fraud which he submitted at the time he was in China organizing the Communist Party out there.

We felt the men who were in this place, that we had cut off or found a principal channel of information from the Government files down here into some hands which we suspected were Communist hands. We never knew where this stuff went after it got out of there. I think it was when the Peace Conference was on in San Francisco that I entered a complaint with the Office of Strategic Services. It seemed to me a terrible thing that certain persons out there attending the conference had secret information from our State Department and were informed on what our State Department planned to do and what the State Department thought about. Nothing was done about that.

It was shortly after that that they did shut down on these people and arrested six of them. I knew, also, that during this period, a second lot of stuff was brought out from Washington; that Jaffe came down, or someone came down. My impression was that it was Jaffe. They got another suitcase full of it and brought it back. The Federal Bureau of Investigation also photographed all of that. In their exhibits, they must have all of the first lot and all of the second lot. We were told the second lot was just as important as the first lot.

Mr. HANCOCK. Department of State correspondence?

Mr. BROOKS. All sorts, Department of State, Naval Intelligence, G-2, Bureau on Censorship, Office of Strategic Services——

Mr. SPRINGER. Covering practically all of the departments?

Mr. BROOKS. All of the departments interested in combat, nothing from the Commerce Department or the Interior or anything of that sort, and nothing from the Department of Justice.

Mr. FEIGHAN. When those articles are made up, do you have any idea of the number of copies that are made?

Mr. BROOKS. I could not tell that. There was more than one copy.

Mr. FEIGHAN. Was that the only existent copy from the State Department, for instance?

Mr. BROOKS. I would not know that. I know one of the documents that I brought down here, and our own organization had a top secret classification. It was so secret that it was delivered from the Office of Strategic Services to the Chief of the Office of Naval Intelligence. It had his initials on the document. I did not know it. The pencil markings meant a great deal more here than it did to me. I was told this particular document was the personal copy of the Chief of Naval Intelligence. It was entrusted to his care only, it was so important. I do not know how they got it. I had nothing whatever to do with following out the thing, how it got up there. That is the Federal Bureau of Investigation's job. All I know is the nature of the stuff they stole.

I want to explain, further, I have not prompted Congressman Dondero in his interest. I saw where he had made some remarks about this thing, and I read it in the paper where he was suspicious of the Amerasia case.

I thought it was my duty to come down and tell him the facts. I told him some of these things.

I have never known whether any influence was brought to bear on anybody or not, but I have felt that the evidence which I saw was such that no attorney could say to a judge in the court that these people meant no harm, because the evidence itself shows they must have meant harm or they would not have had it. These people pleaded freedom of the press to print stuff. It had nothing to do with the kind of stuff they had in their possession.

Mr. CHELF. Did you find any list purporting to code words or shipping designators? Did you find that in any of the documents? I was with the Air Transport Command Intelligence. I was the chief code designator for the Air Transport Command. Whenever top secret documents came in, they were brought to me. My general could not put a finger on them. They were delivered to me. I held rank as captain. They were delivered to me by an armed officer courier. If I was not there, they would not deliver it. They were kept until I was there, and then they were delivered to me personally. In that, we had a code of every island, of every shipping point, of every country and of every maneuver and every operation. There was a code word for it. I am very much interested in knowing whether there was anything of that caliber or nature in it?

Mr. BROOKS. I would not know. There was so much stuff, we could not possibly digest

it. If it had been piled up, it would have been that high (indicating arm of chair).

I am of the impression that one of the documents of the Office of Strategic Services was a report on the effect of bombing along the Danube River, what places the bridges had been destroyed, where commerce and navigation was blocked, what places the Germans had been able to clear up, et cetera. I wondered how that ever got in there. It was a very important thing. It did not have anything to do with the Far East. It impressed me to be of considerable importance to Russia.

Mr. FEIGHAN. Did an examination of these other issues of Amerasia magazine reveal the fact that other information was in there?

Mr. BROOKS. I was through when I turned it over to the Federal Bureau of Investigation.

Mr. HOBBS. Have you a list of those six who were arrested?

Mr. BROOKS. I have not. I know who they were. Philip Jaffe, Kate Mitchell, who is associate editor, Andrew Ross, who was the liaison man between OMI and the State Department, and had been an officer in the Navy; Jane, a writer.

Mr. HOBBS. That is Mark Jane.

Mr. BROOKS. Mark Jane, and Service.

Mr. HOBBS. That is John Stewart.

Mr. BROOKS. Of the State Department, and Larson, also an expert, I think, on foreign affairs in the State Department.

Mr. HOBBS. Emmanuel Sigurd Larsen.

Those are the six.

Mr. BROOKS. These persons never meant anything to me, Service, Roth, or Larsen. As this investigation went on, I knew, let me say, I knew from the Security Officer, when he took this stuff to the State Department, they had their meeting. The Secretary of State designated an officer in the State Department to conduct without delay the investigation in the State Department. That man was Freddy Lyon, who ranks above the chief of the Bureau, but under Assistant Secretary. He took charge of it. He conducted the investigation in the State Department. He continued to conduct it for nearly 3 months.

He has never been questioned about this, nor has he ever made any statement about what he found within the State Department.

When I heard that Roth was one of the persons suspected, I knew about that before he was arrested, and that he had been a naval officer. I got in touch with Naval Intelligence at New York with whom we cooperated unofficially. I found that Roth had been investigated by the service up there when he made his application for a commission, and that their report was entirely unfavorable. They had said he was associated with Communists and was not good officer material. In spite of that he was commissioned, and he was put in that spot over there.

Mr. FELLOWS. Who put him in?

Mr. BROOKS. I do not know. I think there is a man who can possibly cast some light on that. I think Larsen, who was convicted will probably tell all he knows about it. I have never talked to Larsen.

Mr. FEIGHAN. Is he incarcerated?

Mr. BROOKS. No. He got fined $500. He stopped in Mr. Dondero's office. He was being blocked from getting another job with the Government. He was all set to be sent out by the Army, he was set to be sent to the Far East. They had hired him. The newspapers got hold of that, and with a little publicity, they stopped him.

I know that he would like to get back in the Government service. Right now he is in the humor to tell anything he knows with some reservations. He is not going to tell what all his own motives were. He can be helpful. He knows the relationship between Jaffe and Service. Service denies that he knew Jaffe. Larson said he knew him well. He said Jaffe had something to do with getting Roth's commission put through. How, I do not know.

Mr. FELLOWS. What did these other men get for sentences?

Mr. BROOKS. Jaffe got a $2,500 fine. I looked up before we went into this thing to see what he was. He has one job with an industrial concern in Brooklyn that pays him $25,000 a year. Paying the $2,500 fine was very slight punishment for him.

Mr. HOBBS. No punishment at all.

Mr. FEIGHAN. In what capacity does he serve in that industrial firm?

Mr. BROOKS. He and his brother run it.

Mr. FEIGHAN. Do they have any contracts with the Government?

Mr. BROOKS. I do not think they do. They make illustrated cards, some sort of a printing and engraving business, greeting cards. It is a profitable business.

Mr. HOBBS. What has happened to Kate Mitchell?

Mr. BROOKS. Kate Mitchell? Nothing happened. They indicted three of them, Jaffe, Larsen, and Roth. The other three they did not indict.

Mr. CHELF. Who were they tried before and when?

Mr. BROOKS. They never were tried.

Mr. CHELF. The ones that were fined?

Mr. BROOKS. Jaffe—he pleaded guilty. First he entered a plea of not guilty. The first charge against him was violation of the Espionage Act for conspiracy to do that. It was changed to conspiracy to steal Government documents. The espionage part was left out. Jaffe first pleaded not guilty. They fined him $2,500. He went before the judge and was sentenced.

Mr. SPRINGER. What judge?

Mr. BROOKS. It was a Federal court in the District.

Mr. SPRINGER. What was the judge's name?

Mr. BROOKS. I have forgotten his name. Larsen came before the judge. He pleaded not guilty. He changed his plea to nol contendere. They gave him $500.

Mr. HOBBS. Same judge?

Mr. BROOKS. Yes. At that time both the Jaffe case and the Larsen case, the attorneys who were assigned to it stated to the judge that these people did not mean any harm to the United States Government, they were good people, had never been in trouble before.

The judge asked them about it and acted on their advice.

Mr. SPRINGER. Three were indicted. What happened to the other one?

Mr. BROOKS. Six were arrested; three indicted. The third one, Roth, they questioned the indictment.

Mr. CHELF. You are sure they did not give him a medal?

Mr. FELLOWS. Who was the district attorney?

Mr. BROOKS. Two men were assigned from the Department of Justice whose names I do not recall. One is Hitchcock, Hitchcock and Anderson.

Mr. HANCOCK. Jaffe was editor of the Amerasia magazine; Larsen and Roth were in the secret service of the Navy?

Mr. BROOKS. Larsen was the expert on foreign affairs in the State Department. Roth was a liaison man between Naval Intelligence and the State Department. I do not know on which payroll he was. He had been a naval officer. He was put back in the Reserve.

Mr. HANCOCK. He got the commission despite unfavorable reports?

Mr. BROOKS. Yes, sir. The indictment was dismissed against him.

Mr. HOBBS. Let me ask you this: We have to go to the floor. What were the dates between which this activity was sandwiched?

Mr. BROOKS. The first came to my attention February 28. We entered the quarters on March 11.

Mr. HOBBS. 1945?

Mr. BROOKS. 1945. Yes, sir. That was just 11 days after we started on it. The arrests were made in June, either June 6 or June 8.

Mr. HOBBS. All right. When was the appearance of these gentlemen or men before the court?

Mr. BROOKS. Well, I have not those dates here. I have no memorandum.

The CHAIRMAN. Was it recent?

Mr. BROOKS. Yes. The last case against Roth was dismissed only about 30 days ago. In fact, no disposition had been made of that at the time this thing was got up in the House.

Mr. HOBBS. Does that cover the ground, substantially, of your testimony?

Mr. BROOKS. Yes. We did make some memorandum of the 8 or 10 documents we say there, of which I have a note in my pocket telling the nature of them.

Mr. HOBBS. You heard the bell. We have to go. I wonder if you could leave the memorandum with the subcommittee, or anything else that we may use you have? Is this testimony that you have given substantially what you care to testify about, the ground you want to cover?

Mr. BROOKS. I probably could add a great many items. I am perfectly willing to answer any questions you want to ask me.

Mr. CHELF. How long are you going to be here in the city?

Mr. BROOKS. I have to get back to New York, but I am coming back on Tuesday.

Mr. CHELF. Could not we arrange to have another meeting?

Mr. HANCOCK. Are you still with the Office of Strategic Services?

Mr. BROOKS. It is now the SSU. Furthermore, I am right in the middle of an investigation which concerns stolen documents from the Office of Strategic Services and used over in Greece, published in the Greek Communist papers. That is the reason I do not want my identification disclosed.

Mr. HOBBS. We will be able to get in touch with you how?

Mr. BROOKS. Mr. Dondero. Would that be all right, or would you prefer to have my telephone number? I have an unlisted phone in New York. It is Orchard 4-0253.

Mr. HANCOCK. Prior to 1942, were you a lawyer?

Mr. BROOKS. No, sir.

Mr. HANCOCK. What was your business?

Mr. BROOKS. Public relations work. Before that I was just an ordinary businessman.

Mr. HANCOCK. What happened to Larsen and Roth? Have they Government jobs, either of them?

Mr. BROOKS. I am not supposed to know that. Roth has been trying to get out of the country for the Nation magazine and the New Republic. He has not gotten out.

Mr. HANCOCK. He cannot get a passport?

Mr. BROOKS. He had not gotten one up until the time this resolution was passed. I suppose they would not let him go until they talked to him.

Mr. Larsen is here. He is willing to testify because he cannot get a job until he does something to reestablish himself.

Mr. HOBBS. We are very much obliged to you. Your identity will be kept secret and your testimony, also.

(Thereupon, at 12 o'clock noon, the subcommittee adjourned until tomorrow, Friday, May 11, 1946, at 10:30 a. m.)

MONDAY, MAY 13, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10:30 a. m., SAM HOBBS (chairman) presiding.

Mr. HOBBS. Gentlemen, we will have to proceed without Mr. Chelf.

This is Mr. Larsen. He is before us to tell us about the Jaffe case and his information concerning it.

We have a written statement here which he has submitted. I wanted him to talk to us personally so we might ask him questions when he gets through.

Mr. Larsen, we appreciate your presence.

Mr. HANCOCK. Let us know Mr. Larsen's position in the State Department. Let us know something about yourself.

Mr. LARSEN. I wrote up a brief summary in this statement of my own life and career. I may mention, in brief, that I was born in California, in 1897, of Danish-born parents who were naturalized about 1919 or so.

I was born in 1897. In 1906, my father went to China as a professor in the university, Chengtu Imperial University. I have the peculiar background of having grown up in China. I went to a Chinese school from 7:30 in the morning until 12:30 at noon until I was 14. That was the year of the Chinese Revolution.

My father resigned and left China. His mother wanted to see him in Copenhagen. He went there. A commercial school offered him a position to reorganize the school on American lines. He took that contract for 5 years.

I have a peculiar background, too, having gone to school in Denmark, and having taken my B. A. at the Copenhagen University.

After graduating, I returned to the United States with my father who entered the school system in Chicago.

I worked at Marshall Field & Co. for some time in the Oriental department reading the characters on the bottom of vases and so on. Then I was given a position in the Chinese postal administration. In October, I went to China, 1916, and I worked in the postal service from 1916 to the end of 1927.

At that time, in 1927, I had been 2 years in Manchuria acting as deputy postal commissioner for south Manchuria, the area that is now held by Chiang Kai-shek forces. Communists hold the northern part now.

In Manchuria, I went on a hunting trip one time. I met a Mongolian llama who is a spiritual leader. He pointed out to me that he had somewhere about 40,000 flocks of sheep that had never been sheared. He heard there was a great wool market in the United States, particularly for coarse wool for making rugs. So, for 6 months or so, I prepared to go into business with him. I was appointed as adviser to him. He is Teh Ching Mu Lana.

When I went up to the frontier, the town is called Amoy, I was immediately invited by the Chinese garrison commander to become an adviser to him concurrently. There had been a feud between the Chinese and the Mongols for about 30 years. I helped patch that up. I brought the Teh Ching Mu Lama and Prince Wu Lin-tai, who was the resident Korchin prince and the Chinese authority, under Marshal Chang Tso-lin, together. We built up a firm there in which Teh Ching Mu Lama and Prince Wu Lin-tai and Gen. Chang Hai-pent, and myself, we were four partners and owners of the firm. We imported machinery for cleaning wool, and tractors and trucks and some tanning machinery. A Czechoslovakian engineer got in for me from different places some rams for breeding with Mongolian fat Kale sheep. They have very good wool.

I worked with them and built two ranches until Marshal Chang Tso-lin was blown up in 1928 by the Japanese, allegedly, by the Japanese.

Then I was forced out because new pro-Japanese authorities came in. I was forced out.

I went down to Tientsin and joined the British-American Tobacco Co., and was sent to Peking as traffic manager. At Fengtai, just 11 miles southwest of Tientsin, I was in charge of the warehouse and shipping establishment there for shipping all over North China.

Then, in 1934, after serving 5½ years for the British-American Tobacco Co., they were forced to close down. There was competition, Japanese monopolies.

I was offered a position in Hankow. I had not been home since 1924. I came home. I could not find work in my particular field. I was offered a position in Chicago, in the Chinese section. It did not materialize. I went back to China. I became employed by the Chinese secret-service branch, namely, the gendarmerie. The special function of that department, at that time, was to investigate illicit arms deals. You gentlemen probably know that after 1930, I think it was, the United States Government had an agreement with China not to sell arms indiscriminately to Chinese rebel parties and so on. The Ministry of War was in a peculiar situation. The Japanese, by the truce of May 1933, had forced upon north China a demilitarized zone. The Japanese, naturally, did not want peace. They wanted to stir up further trouble, so they employed renegades and they dared not give them Japanese arms, so they had various renegade Chinese commanders supply them with arms. I caught some. I had them imprisoned. I arrested some with my own hands. Eventually, the Japanese got wise to what I was doing. They sent for me one day and threatened me that I might have an accident in the street and get run over by a Japanese military truck. I told the military attaché I understood what he meant, and that I intended to return anyway to the United States. I got a good-riddance visa. I came back. That was in March 1935.

Then I went to the Chicago University to take a quick course in a very peculiar language, Sanskrit, which I needed only for one purpose, to read Chinese Buddhist texts. They have many transliterations, Poli and Sanskrit terms. I took the year's course with Dr. Bobrinskoy, one of the greatest experts, in 3½ months.

I won a Rockefeller scholarship to go to Columbia University in the summer of 1935 for the Oriental culture studies. After that was over, I was granted another scholarship on September 1, 1935, to come to Washington and work in the Library of Congress and translate Chinese history and write up the Ch'ing dynasty, outstanding personalities, in other words, a biographical project.

Mr. HOBBS. Mr. CHELF, this is Mr. Larsen.

Mr. CHELF. I am sorry to be late.

Mr LARSEN. I am leading up to my employment in the United States Government.

I started that work September 1. I worked only about a month, then I received a letter from the Naval Intelligence, Captain Reinecki, who asked whether I would like to come down and be an analyst in Chinese affairs in Naval Intelligence. I wrote back that I would like very much to. Then I heard nothing further.

About 2 weeks later, he called me up one day and said, "Are you not coming down?" I said, "Yes." He said, "Come down at once."

I went down. I was fingerprinted and examined in Chinese and I was admitted to the civil service accepted status as professional expert on Chinese affairs.

I worked from October 14, 1935, until August 31, 1944, in Naval Intelligence. I was senior analyst on the Chinese desk. There were a number of others under me. I trained young American naval officers in Far Eastern intelligence. That is many of my specialties, and military geography, which I one time studied in Tientsin at the Chinese Military Academy there. I also introduced to the Navy Department a thing which, apparently, was quite new.

I was surprised and amazed that they did not have such a thing in a well organized intelligence system, namely, a card system bearing cards on outstanding personalities such as the Chinese would have, for instance, cards of you gentlemen of this committee, and of the Cabinet ministers and outstanding leaders of the Government with whom they might have to deal, and who might be obstacles to them in their international relations.

I made the same kind of card system for the United States Navy, and I presented them with 550 of my own cards.

I brought along samples here to give the committee an idea of how these cards look. A good example, a rather cleanly worked out card, is this card on T. V. Soong. It has a step-by-step analysis of his career and his affiliations, the purpose being to have on record in any organization that has international dealings, an up-to-date, not only record of what these men have done and whom they have been mixed up with, but an up-to-date analysis of their political training so that for instance in the State Department, if a new man should suddenly come in, a fairly unknown man should come in as Minister of Foreign Affairs, Foreign Secretary, we would, at once, be able to take the card and send it up to the boss, and he could from that get a very good idea of the possible political trends.

For instance, it might say this man had been associated with the Communists, and had been studied in Russia, and was thick with Stalin, and so on. We could be fairly sure he would not be the man who would be very willing to cooperate with this country.

Mr. SPRINGER. The record is brought up to date?

Mr. LARSEN. Yes. This hobby started in 1923 when the Chinese postal service was confronted with two Chinese governments, Chiang Kai-shek's government coming from the south had still not conquered China, and the old government in North China. I was right in the center. I was postmaster at Amoy, opposite Formosa.

The troops were just approaching my little place. They asked me to write up the biographies of a number of the leaders. I went into a huddle with a friend of mine, the chairman of the chamber of commerce in Amoy, and he put me in touch with an expert of the Chinese underground. He gave me the dope. I wrote 80 cards or rather statements on 80 persons, and they were circulated in Peking.

I was authorized in the future to have a sort of ex officio function of writing, from time to time, a who's who for the foreign syndicate that was running the Chinese postal administration.

I started the hobby then, 1923 and 1934, when I worked for the Chinese secret service; I naturally had a marvelous opportunity to increase my knowledge in the way of secret information. I was allowed to peruse the files. I wrote a lot of notes. I made a lot of cards from the information on the Chinese. I kept these cards. I now have a file of 6,000 biographies. There is no unit in the United States Government that has anything similar to that.

In Naval Intelligence I wrote up the Navy, and I must tell you gentlemen quite honestly, wherever I found information in the official documents that I thought was reliable and was of value in the analysis of these personalities, I took it. I do not want you to think that I took it in the way of stealing something that was not mine. I took it, and I analyzed it, and I entered it into my cards, and at times, I am sorry to say, I found that much of it was wrong.

That is not entirely the blame of the intelligence service, but, you see, sometimes you get a report that is given in a heated moment by the opposition. A story comes from Chungking saying so and so is what he actually is not, and it is believed rumors come in and eventually time will grind it out, and you can correct it and modify it.

Therefore this work depends upon continuity of knowledge. The continuity of knowledge is not all in the cards. It is in here [indicating]. You can question me on numerous men. I will give you a list. You

could choose your own list. I know all of the leaders of the Chinese Government.

Mr. HANCOCK. You say you took these cards or letters? Or what was it?

Mr. LARSEN. I took the information. It was all personality material.

Mr. HANCOCK. Then you were in Naval Intelligence?

Mr. LARSEN. I want to give you an idea, gentlemen, how little there was. When the Federal Bureau of Investigation arrested the six of us in June 1945, naturally my card system figured in this. It was a question of how much official information there will be in these cards. Out of 6,000 cards the Naval Intelligence and the State Department, in going over the cards and these Federal Bureau of Investigation for 2 months, were able to find, the State Department, 31 cards, and the Navy, 40 cards, that contained any reference to material that they believed could not have come from any other source such as, for instance, you know, Mr. Gauss was our Ambassador. Mr. Gauss stated V. Soong is negotiating an agreement with Russia, something like that.

In many cases out of the 31, of those cards that the State Department laid claim to, I went home and got my old newspaper files out. I brought back to the verbatim newspaper articles saying what Mr. Gauss stated.

In other words, Mr. Gauss had also spoken to the newspapermen.

I made mention that I have never touched or fooled with any information that was of strategic importance to this country that could possibly endanger this country.

Furthermore, I was enriching my card system and my knowledge because I was a member of the United States Government staff. I never had any intention of selling this to any commercial firm or newspaper whereby official information, even of a very, very small quantity, could fall into the hands of people who would use it in an unauthorized way.

Mr. HANCOCK. These were cards and letters of the State Department and the Navy Department?

Mr. LARSEN. They were dispatches that come in reporting Chiang Kai-shek had had a reshuffle and the new men are so and so, and their backgrounds are so and so. Most of them got it from hearsay, newspapermen. When it came into the State Department, it was generally labeled "Restricted," "Confidential," or "Secret."

Let me tell you, gentlemen, while we are at it, that some day taxpayers in the United States will demand an accounting for their money that will not include dozens of men duplicating what newspapermen have written and stamping it with confidential stamps, which is a lovely racket.

After nine and a half years I would be able to guide you gentlemen to files in the State Department and the Navy Department that are just a laughing stock of intelligence reporting.

They are 4 months behind the newspapers. They are not correct copies. They contain no analysis. They are a product of so many young men who are given commissions and sent out to do a job about which they know nothing. Therefore, I never considered the information in my particulor field, personalities, oriental personalities, of any great value.

In the Navy Department——

Mr. SPRINGER. Let us get back to the cards.

Mr. HANCOCK. How did you have access to that information?

Mr. LARSEN. As an analyst, that correspondence is sent to your desk. It circulates to the various analysts and officers. They are marked "For your information," meaning, of course, for your information in your official capacity.

Mr. HANCOCK. You made notes from that correspondence?

Mr. LARSEN. Yes.

Mr. HANCOCK. Did you remove any of those documents?

Mr. LARSEN. No. I did take home a number of those that contained lists of personalities, the new Cabinet, and such lists I took home because I would not waste official time sitting doing it. I spent my time at home.

Mr. SPRINGER. Did you prepare those cards to be left in the State Department?

Mr. LARSEN. Yes. I prepared cards both for the Navy and State Departments, but I kept my own as a basic file.

Mr. SPRINGER. You made up your own at home from this same list? Is that what I understand you to say?

Mr. LARSEN. There was such a list, yes. That is right. That list, I still want to say that when such a list comes in, except for perhaps an Ambassador may have a confidential remarks about a man, most of the information is public knowledge. It will appear in the Star and in the Post tomorrow morning, and in the Times-Herald, a list of the men, and very often, a good analysis, if not better.

Mr. FELLOWS. That card system is your own personal property, and you kept these up out of the official documents.

Mr. LARSEN. That is right.

Mr. FELLOWS. The official documents of the State Department?

Mr. LARSEN. No. Some of the information——

Mr. FELLOWS. Some of the information in your own personal property of the personalities in China came from confidential documents?

Mr. LARSEN. That is right. I do not want to deny that. I will give you an idea how much of it came from those cards. Out of 6,000 cards, the State Department was able to find 31. That is 5 percent.

Mr. FELLOWS. That is not important, because there would have been 5,031 if the information had been there. Is that not true? That is true, is it not? If you had found the information in the secret deposits of the Department, you would have put that on your own private cards, so it is not important, the number.

Mr. LARSEN. I agree with you.

May I make one remark? I am sure you gentlemen will credit me with some intelligence and some conscience, too. If there had been information on 5,000, I would not have considered that I had the right to consider the whole amount as mine. I would have turned over all my cards to the Navy Department which I suggested to the State Department when I came in there. I asked Mr. Stanton, Assistant Chief of the Far East Department, whether it was not time because they called on me very often. They said, "Will you grab a taxi and go home and see what you have on so-and-so? We have never heard of him yet. We never had a dispatch about him."

Mr. FELLOWS. Why did you keep this private collection?

Mr. LARSEN. Where?

Mr. FELLOWS. Why and where?

Mr. LARSEN. In my apartment at home.

Mr. FELLOWS. Not locked up?

Mr. LARSEN. Yes. Of course, then I would take a cab and go home and bring a card in. They would copy it. Someone would get the credit of knowing all about everyone. I told Stanton.

Mr. FELLOWS. What did you say?

Mr. LARSEN. The State Department did take all of my card files for two reasons: One, I have been married for 7 or 8 years. I have an attractive, young, fine wife, whereas other men go to movies and to the National Theater and go out, I sit every night until eleven, and I do this, and where does it get me? I have this thing which is like a white elephant. I have to keep it up to keep it of any value. I do not get any recognition for it. If I could publish it, I would need four volumes. If I did that, I would be shot by the Communists and run out of China for telling the truth about some of Chiang Kai-Shek's people.

I have written it from an impartial point of view.

I had nothing to do with India in my official work in the Naval Intelligence during 9 years. However, I made a study. I heard confidentially that Chiang Kai-shek and Nehru were getting together to form a pan-Asiatic alliance, something like the Japanese thought of forming. Theirs was to be formed by force. The one formed here was to be formed by friendship. The Russians getting in on this, if they would, made it look dangerous. So I started making a study of the Indian leaders. I made all the cards here on the principal Indians.

When they set up an India desk when the war started, I brought this in (indicating a stack of cards).

Here is another thing you might as well know; our relations with India, I do not think they are unimportant, but they put as chief of the intelligence desk, in the Naval Intelligence, a man who is a music appreciator, a music critic, who had never been to India, probably had never seen or shaken hands with an Indian. He was married to the divorced wife of Elliott Roosevelt.

He had wonderful connections. His name is Windsor. He was put in as a lieutenant. He was on the India desk. One day we got talking about certain men. I said that I could give him some dope on that man. He came to my place. He saw these cards. He said, "Let me have that file." I told him I would turn it over to him officially on one condition, that he made me a copy so I could carry it on afterward, so they have the original. To this day they have not made any entries nor brought it up to date. The man who was in charge of intelligence in India did not worry about personalities.

China is ruled not by doctrine and principle, but by personalities. An analysis by personalities will give you more up-to-date, simple, and accurate analysis of things to come, you might say.

These are here for your inspection. There is no officially acquired information in these. I gathered this material every day. My pocket is always full of newspaper articles. I have here the story of Devadas Gandhi. I have a card on him. And this other man, Bhulabhai, who died in India the other day. I have brought along notes. There are about 100 pages. These are the most recent 100 pages of notes I made on Chinese personalities. It is a big machine. I have an enormous file of this material.

Mr. HANCOCK. You gave this to the Army, Navy, and State Departments as they asked for it?

Mr. LARSEN. An original 550 cards to start with; then, as analyzed from time to time, I wrote up and added others. We had two or three thousand toward the end. They did not worry about the intellectuals. They did not want many Communists, but I kept a record of the Communists.

Mr. HANCOCK. They have not all of your material, just some of it that they asked for particularly?

Mr. LARSEN. Yes, sir. There is a lot of information, and I want to explain also, as I said a little while ago, I do not care whether a little major general in the ministry of war is made a lieutenant general or not. I want a man in an important position. They send in lists of lots of stuff I did not want at all. We put it in the cards in the Navy Department. In other words, to give a summary of this long-winded story, I am an expert, and an expert on nothing else; I am an expert on oriental personalities and Chinese and Manchurian political affairs.

I voluntered to go with Pauley. I was not able to make it because I had this thing over my head.

Mr. HANCOCK. When did you start this?

Mr. LARSEN. 1923.

Mr. HANCOCK. As a hobby?

Mr. LARSEN. I started it as a member of the postal service. I carried it on after this job lapsed when I went to Manchuria.

Mr. CHELF. How long have you been with the Federal Government?

Mr. LARSEN. Nine years with the Naval Intelligence, 1 year with the State Department.

Mr. CHELF. Were you with them in 1923?

Mr. LARSEN. No. I was in China. I came home in March 1935.

Mr. HANCOCK. Was this just a hobby, or did you expect to be able to capitalize on it?

Mr. LARSEN. I expected to capitalize on it in the way of becoming chief of the Who's Who Department Branch in the War Department. They have such a department. I have been over to see them. They have told me they have had hundreds of pages of my material without strings to it. They have been allowed to copy it. They say it is the best material. I will supply you the names. You may telephone and ask them what they think about it. This is an index of material that I have in note form not entered in the cards. Those struck out have been entered. It is an alphabetical index of Chinese personalities. It is not a thing I have worked a little on. I worked day and night on it. I worked early in the morning. I worked late in the evening, wherever I could squeeze in time without insulting or annoying my family.

In 1944, in March, when I was working as senior analyst in the Navy Department, life was going on as usual in there, and there was a young lieutenant, a Jewish boy, Andrew Roth, whom I did not know in the beginning because he did not work on my desk. He worked on the Japanese shipping desk, I think it was, war shipping. I would say it was a highly confidential job. He came to me several times. He had to make translations. You gentlemen know that Japanese is often written with Chinese characters. These boys had been through the Navy's rush course in Japanese. They knew very little. So they came to me once in a while and said he would like me to help him translate such and such. So, where it had the Chinese character, I could help him out at once. The syntax is a little different, but it is not more different than the written language of Danish and Swedish. He became somewhat friendly with me. A group of us went out several times for lunch in a little restaurant on Seventeenth Street. One day he said, "Jimmy, are you going out for lunch?"

I said—and this is important, because you gentlemen may make an important conclusion from this which I think the Justice Department tried in all earnestness to make to reach such a conclusion from this statement. It is a bit of evidence that I want to advance to give you an idea of whether there could have been a conspiracy or plot there to solicit my aid in dealing with Jaffe.

He came and said, "Jim, are you going out to lunch?"

I said, "Yes. Just a minute. I just want to finish up this."

When I finished up, we walked out together. We walked up Seventeenth Street, and we got all the way to Pennsylvania Avenue, and we were about—we had crossed Pennsylvania Avenue. We were near that drug store. We were about to go into that little restaurant there, Trianon, when he said to me, "Do you know Phil Jaffe?"

I said, "No, I don't."

He said, "You mean you never heard of him?"

I said, "It seems to me I have heard of him. I have seen his name somewhere."

He said, "He is an editor and owner of Amerasia magazine."

I read that.

He said, "He was in China and traveled extensively through the Communist area, and is an outstanding expert on what you like, Communist personalities. Do you have a lot of Communists?"

I said, "I have some. I haven't got much dirt on them."

He said, "Well, he has plenty for and against. Why don't you get together with him and compare your cards? See what he has. You can trade him some basic material."

I told him that was a very interesting idea. I have done that with some people in the past; out in China I did it with detectives, legation people. I knew one British secret service man who used to trade me important stuff on Italians and French and so on, and I traded them stuff on Japanese and Chinese troublemakers in North China.

I said, "When can I meet him?"

He said, "I am going to lunch with him right now."

You see, there wasn't actually evidence of him intending to go to lunch with me. There was evidence of his having a preconceived plan.

He said, "If you come along with me now, I will introduce you to Jaffe."

I did think of it many times after that. I thought it seemed so strange. After introducing me, Roth dropped out of the picture. We went to the Statler Hotel. I was introduced to Jaffe. I had lunch with him there. After lunch he said he would like to come to my house. He came up. I showed him a number of cards I wanted to ask him some information about.

He said, "You have a lot of mistakes in these cards, especially concerning the Communists."

I noticed in many instances his comments were very pro-Communist. He did have the dates of their various coups and affiliations with Russia, and so on. I told him that that was very interesting.

I said, "You are interested in intellectuals. I have here a file I started making about 1928 on Chinese Buddhists and Chinese professors, the leaders of the new school system in China, and I will turn this over to you if you will supply me with everything you have on Communists and whatever you know about the other people in China."

He did supply me a lot. On three occasions I was able to give important information to the State Department. One time he relayed to me conversations between Edgar Snow and President Roosevelt. If you want to know the exact details of it, I can give it to you. Snow is a writer who has, in the past, been very pro-Communist. He is changing a little bit now. He went to see President Roosevelt about 20 days before he died. He asked him about the policy toward China, and President Roosevelt made an important statement, that whereas he intended to continue to back the Chinese properly constituted Government, he had in mind, and it was the policy of the administration, he said, to utilize the Communists if and when it were practicable.

I relayed that immediately to the State Department, hoping to observe what the reaction would be because I knew that the men in my section there in the Chinese division were very, very keen on that policy to make it more than 50–50 and utilize and arm the Communists and let Chiang Kai-shek's government drop. I knew that. I was somewhat outside their gang, because I was not pro-leftist and pro-Communist, and they were all a little bit reluctant to confide in me. One fellow actually told me, "Vinson thinks you are reactionary and you are too close to these people."

I grew up with those boys, and many of them are now big generals. I went to school with some of them. I know them well, but I can judge them fairly and impartially, because I am not tied in with them in any particular way right now. I earn my money from the United States Government. I do not have to be partial to them, observing them at a distance. So I think I was much more impartial than these people in the State Department who are forcing a pro-Communist policy so as to enhance their own little group at the head of which I consider Dean Acheson stands as a leader. What his ambitions are, I do not know. I heard he wanted to become Secretary of State and President of the United States, and that he hopes to do so with the aid of the liberal elements and the CIO and all the people who are making our greatest miseries right now.

Mr. HANCOCK. Did you ever hear him say anything to indicate his feelings, Dean Acheson?

Mr. LARSEN. I never met Dean Acheson, but in discussing official affairs, I was a member of the policy committee for China and Manchuria. We often discussed things which were pooh-poohed as impossible. You could not put that over. Dean Acheson will never let that go over. Whatever that was, it was always not in favor of the Communists. He would not allow it to be put over. I will give you a concrete example. They are afraid of you gentlemen up there. We know that. We know that in all our policies. We have to not only consider the public, that is what they say, in America, but we have to consider what Congress would do to us if we went ahead with this.

In April and May 1945, we had not invaded Japan yet. It was not known by anyone except the high command that we were going to invade Japan and not China. At that time it was all the time speculated upon which part of China we would invade, South China near Formosa and then fight our way up—but the geography is against it, or would we invade North China? If we did, we would come in contact, first, with the Chinese Communists. There was a good share in the State Department that was all in favor of arming the Communists. They were so keen on arming the Communists, when they consider that they were allied with the properly constituted government, I cannot understand; it would be aiding and abetting a regular party, and quite apart from their sympathies. They should have had a better understanding of the international relations and the possibilities. They pursued that policy. I felt day by day I was being pushed outside a little bit. They went to lunch. They had their meetings. I was with them at some lunch meetings where they talked openly about defeating this crowd like Hurley, do everything to get him out. They sabotaged Hurley. You may take my word for that. They sabotaged Hurley. I have given certain little notes and evidence to Hurley that I had committed to memory and helped him with his speech. It was a pity he did not launch it more systematically. He spoiled that for me.

To come to that example, in Manchuria, there was a question of ousting the Japanese. As soon as the Japanese, if we invaded North China, were ousted from Manchuria, what were we going to do with Manchuria? Would Congress approve of the Army staying in there two months? Four months? Five years? Twenty years? We figured they would not.

A man called Robert Feary, an economist, working on Japan, he had an unadulterated nerve to write a paper on Manchuria. They let him write it, not me, because he was the man who would supply them with the motion they wanted.

When the committee met, they made the motion before the committee meeting of the eleventh, in May, that if we went into Manchuria, we should, because Congress would not approve of our staying there a long time, handle with the Chinese Government administration of Manchuria, to any group, Chinese group, that was in there ready to take it, even if it were the Communists.

I know Mr. Paul Josslyn, who is now Counsel General in Singapore who was my colleague in the research department and the policy committee.

I said, "Are you going to let him get away with this?"

He said, "No. You make the motion. Everyone is scared stiff in the State Department."

I said, "Dr. Blakeslee, may I make a motion? I make the motion that we do not even consider this proposal for the simple reason that at Cairo it was agreed that Manchuria was to be returned to China. I cannot interpret that in any other way than returning it to the properly constituted Government of China. I have nothing further to say if my interpretation is judged wrong by you and you are an international expert on the real interpretation of these agreements, then I will withdraw my motion."

Dr. Blakeslee said, "No. The interpretation is right."

There was a row about it. There was a vote, and seven voted against four. It was defeated.

Bob Feary got so mad he tore up his paper, and when I went out, I was told that I would probably get in trouble for this. That was in May.

Mr. CHELF. Who told you that?

Mr. LARSEN. I hate to mention the name because it is not a friendly matter. If you demand it, I will give you the name.

Mr. CHELF. I think the committee ought to know this name.

Mr. LARSEN. Beppo Johanson. He was opposed to it. He was working in the Japanese section there. He merely said to me, "You will get it in the neck for this."

He sympathized further for what I had done.

Mr. HANCOCK. What is this group of 11?

Mr. LARSEN. It is the official basic policy committee. The official name was the Research and Planning Unit of the Far East Division. We were directly under the Director of Far Eastern Affairs. That was Mr. Ballantyne.

Mr. FEIGHAN. When this committee of 11 would meet and made their decision, that was the policy which was followed?

Mr. LARSEN. That was the basic policy that would then have to go up and be screened by such men as the Assistant Secretaries and it might even be completely reversed, if it did not suit them. It was basic policy. We did the research work to bring out the arguments. We would sometimes write opposing papers. We would clash. We would thrash them out and reach a sort of general denominatory basic knowledge, and then we would form a basic policy. It was a good system if it had not had that contemptible element that before the meetings there was a lot of cooking up of what they were going to do. I think that I would not suggest that. I would not mention it, and the trend was always of the leftist trend while I was in there. I did not like it.

Mr. HANCOCK. Can you give us the names of those 11? Was John Stewart Service one of them?

Mr. HOBBS. Excuse me, gentlemen. I have an engagement to be at the Supreme Court this morning. Please go ahead.

Mr. LARSE. No; John Stewart Service was in China. When he came home at the end of April, he sat in on a few of those meetings as an observer. He was allowed to spill his background, his expert background of knowledge of the Communists, and naturally influenced them tremendously. It was his reports and John Davis' reports and John Emerson's reports and Loftin's reports and Dick Service's brother's reports that flooded the State Department with pro-Communist arguments, namely, that China, the Chinese people, had had political tutelage under the one-party government too long, and it was time for China to have a vote and a constitution and be free. I don't see that Americans should bother about that. Do you? I thought there was a job to do there in the study of the relations and the making of a policy on the basis of existing true facts, and not the cooking up of a policy to influence a country one way or another, internally.

But, as I mentioned in my statement here, the trend was to push and press Chiang Kai-shek through the following medium, or, I should say media: Official relations continually telling Chiang Kai-shek to adopt a different method of dealing with his political enemies, giving information to the press, the leftist press that was very very much in favor of seeing a new constitution, whether it was pure idealism, American democracy utilized in China, I do not know. I do not know American policies very well. I have not been in this country long enough or paid attention. You can take any one of those leftist papers and see if you can ever find anything that is not strong leftist and condemning the regular government in China.

Take Jaffe's paper, Amerasia, he never used any of the personality information I used, that I gave him except the Indians. At the time of the San Francisco conference, he came down and told me that he did not have any information on the Indian delegates. I gave him the complete information on all the Indian delegates. I wrote it up to date for him that night. I did not get anything from any official source. I was not in that department. I had seen no documents. I made up the information from the Indians' "who's who" I have from the material that I collected. I will show you the file. This is my file on India.

Mr. HANCOCK. Why did you give that information to Jaffe knowing he is pro-Communist?

Mr. LARSEN. Well, he published it merely as biographies. He did not make any political comments on it.

Mr. FELLOWS. What was he to you?

Mr. LARSEN. An acquaintance to me, and collaborator on personalities.

Mr. SPRINGER. He could not publish that information until he had obtained it from you?

Mr. LARSEN. That is right, if you say personality information. He might publish a lot of Indian information because I noticed that his collaborator, Miss Mitchell, often wrote articles on India.

Mr. SPRINGER. Those were general articles, were they not?

Mr. LARSEN. Yes, sir. They were the articles that contained a lot of the political poison that his magazine seemed to draw out. I gave biographies of the men chosen to attend the San Francisco conference.

Mr. SPRINGER. The information he got from your file was information regarding the individuals?

Mr. HANCOCK. Why did you play ball with a fellow like that?

Mr. LARSEN. I might mention that in greater detail. When you are an analyst in these affairs, let us take it from another angle, when you are a policeman, you have to listen to the testimony and information. You have to gather your material from more sources than one. You cannot simply go around to the very very trustworthy delicatessen dealer on the corner or the People's Drug Store manager and get his version of it. You have to get the version of the underworld, and all the different people.

Mr. HANCOCK. Were you getting information from them?

Mr. LARSEN. Oh, yes. I got a lot of information from them. You see, I have here a number of his articles.

Mr. FELLOWS. What reliance could you place upon a man like that?

Mr. LARSEN. I do not place too much reliance. I had to edit material he gave me on the Communists.

I will say another thing. I think he is communistically inclined. I have pressed him on the subject. Jaffe did tell me sometimes some things. He said, "No. No. That is not true."

He told me the story which was worse, still less in favor of the Communists several times, whereas the information dribbled in from Far Eastern papers, and he would say that he would tell me the real story of that. Sometimes the stories were great double-crossings which were not to the credit of these people. I will say that not to be in his favor, but I will mention he did play ball with me as far as he could. I asked him one time, "Phil, your magazine, every time you attack the Chungking government—I will stop giving you information on those personalities if you pervert the background material, use the incidents which refer to a certain case to throw light on a different situation that is not quite right. I hate to tell you this, but I think you are making a fool of yourself, being so out and out in favor of a campaign against Chiang Kai-shek's government because they are our allies, and I will shut down on it."

You can ask him that. It is true. He said to me, "Jimmie, I am trying to be impartial, as you say, but there is so much I favor for the Chinese people, that I learned when I was in Communist China, that I am going to publish it and later on, I have a great series of articles to point out what could be done in the present government to moderate it without overthrowing it."

I thought that was a great concession, whether he meant that, or whether he meant to soft-soap me, that would be just conjectural.

Mr. CHELF. What good could he figure into this picture?

How could he do the great crusade work that he hoped, or believed at least, he was doing with the poor, miserable circulation of his magazine?

Mr. LARSEN. That is right.

Mr. CHELF. If he did not have a widespread circulation, what good could he do?

Mr. LARSEN. Two thousand or something like that, but the magazine hits vital spots. That is the danger of a magazine like that. Do not let that figure fool you. It goes to Naval Intelligence. They buy seven copies every month. I warned them many times. Many times we took that up. I said, "You read that. Tell me what you think of it." He said, "This Communist stuff stinks."

I told him Jaffe is going all out here. It goes to the State Department. It went to the Office of Strategic Service, every agency.

Mr. FELLOWS. It has been an important textbook.

Mr. LARSEN. Yes.

Mr. CHELF. He hoped to get it over in a few key spots that the circulation covered.

Mr. LARSEN. He did not worry about the average American.

Mr. CHELF. He was trying to mold the thinking of the fellows in the State Department, the War Department, and other key spots in the Government.

Mr. LARSEN. I cannot imagine otherwise.

Mr. FELLOWS. He was accomplishing it in a degree.

Mr. LARSEN. I think he was in some agencies. Over in the FEA, they were very much affected over there. One of those analysts, Michael Lee, a Jewish boy, whose name was originally Lieberman—I knew him when he was a young kid in Manchuria; he took Chinese citizenship and called himself Lee. Later he come to the United States, became an American citizen. He denies he was a Communist. He was always very close to them.

At the time when the arrests were made, I discovered he was one of the closest contacts to Jaffe. When Jaffe came down he spent most of his time with him.

Where do you suppose he got the FEA material? He certainly has his contacts. He got volumes of material.

Mr. FELLOWS. Where did he get it from?

Mr. LARSEN. Jaffe got it from all the contacts he had here. He never got anything from little personality material that I gave him, he never got anything else because I have not worked with any other material.

Mr. FELLOWS. Jaffe had contacts in——

Mr. LARSEN. In every important agency here. In the Office of Strategic Services, in the War Department, in the Navy Department—remember, I left the Navy Department September 1944, I went to the State Department.

Roth was always with him. He is the man who introduced me to him, Jaffe, and then tried never to appear with Jaffe when I met him down here.

Mr. FELLOWS. What was his rank in the Navy?

Mr. LARSEN. Roth was a lieutenant, junior grade. I do not know if he was ever promoted to a lieutenant. I found out an important point about Roth. I found out that Roth worked in Amerasia for 2 years before be joined the Naval Intelligence; that there was quite a little trouble as to whether Naval Intelligence should take him up or not because he had worked with Amerasia. So how some guy in there let that pass, it was all right, I do not know.

Mr. HANCOCK. Who would have the authority to say that Roth should be designated as an intelligence officer? Who would do that?

Mr. CHELF. The Procurement Board. Wouldn't his application have to be processed as to his background, his character, his personality, and his conduct?

Mr. LARSEN. It was not approved. It was hanging fire for some time. And, reluctantly, he was let in. I do know by hearsay that one man passed on it. He happens not to be proleftist at all. I understand he was for finally letting him in.

Mr. HANCOCK. There was some important person in authority to put him in this position.

Mr. LARSEN. Later he became liaison officer between Navy and State. He had all documents in his possession.

Mr. CHELF. I think it ought to be checked into, who was his superior officer, and who made the change. They took him out of one spot where he could do enough damage and put him in another spot where he was in the position to do much more.

Mr. LARSEN. I think the officer in there was Hindmarsh. He is now a captain.

Mr. HANCOCK. What was his position?

Mr. LARSEN. He was, on one hand, running the Japanese schools. His functions in the office here were kind of an office manager.

Mr. HANCOCK. Not a naval officer?

Mr. LARSEN. Naval officer.

Mr. CHELF. What rank was he?

Mr. LARSEN. First lieutenant, lieutenant commander. He is now a captain.

Mr. CHELF. After Roth took you over to this restaurant, was this fellow Jaffe there?

Mr. LARSEN. Yes.

Mr. CHELF. Or did he later take you to the Statler Hotel?

Mr. LARSEN. We met in the Statler. We went up to his room, then we went down to the restaurant and had lunch together.

Mr. CHELF. How long were you actually with him when Roth faded out of the picture?

Mr. LARSEN. About 40 minutes, when we had finished lunch, then Roth said, "I have to go back to the Navy Department."

Mr. CHELF. Did you have lunch in the room or down in the restaurant?

Mr. LARSEN. What is that room called down in the Statler? Empire Room? No; it is the Embassy Room. Roth fades out after about 40 minutes. I sat and talked another 30 minutes or so and made a date with him, he was to come down about April 9, and I was to have trimmed up to date the cards that he wanted.

Mr. CHELF. I thought you said he wanted to come out to your home that night.

Mr. LARSEN. He came down and saw my cards. He came out that night and stayed until 11:30 or so. He made himself, I will tell you this about Jaffe, whether he is a great humbug or not, I still have to still think over a little bit, but he is a very pleasant person. He has always been very straightforward.

Mr. FELLOWS. Humbugs are.

Mr. LARSEN. He never was crude or offered anything in the way of money or anything like that. I told him, I have this information here, but I cannot let you have that because that I have made since I joined the State Department, on the basis of the State Department's knowledge. He would not be interested anyway. He never pressed me.

He was sometimes rather provoked in specific questions about specific personalities. What burned me up was that after Service's reports had started pouring in from China, he mentioned to me subjects that he could not have known of unless he read those reports. I mentioned that to the Federal Bureau of Investigation the night they arrested me.

Mr. CHELF. Did he ever indicate that he knew of certain reports?

Mr. FELLOWS. Was it not your duty, when he said that to you, to report that to somebody at that time?

Mr. LARSEN. Perhaps. If I had gone off half-cocked and run to Ballantyne and said here is something about a man who knows something about that, too, I might have become the laughing stock because the article might have appeared in the paper the day before.

Mr. FELLOWS. You were connected with the Government. We were at war and serious world war, were we not?

Mr. LARSEN. I do not want you to think that I am shirking the fact that I did commit a miserable indiscretion, that I would not recommit in my life; do you realize I was arrested the first time in my life? I stayed 3 days in jail. My wife had to bail me out, and the charge was espionage. Do you think I can ever throw that off myself? I have suffered that tremendously. The reason I look healthy is that I have been going out to my farm and I have been trying to work out the worry. I have paid a fine. I have been 1 year without work.

Mr. FELLOWS. When Jaffe told you something that indicated to you that you could not have known enough to predicate that question unless he raised some confidential reports and read them, why did not you do something about it?

Mr. LARSEN. I hesitated. I thought he might have had it from an article I did not know about. He met Service's good friend who came home from China, newspapermen, Harrison Forman, Edgar Snow, all these Jewish boys, I do not remember the names of them, but I can give you a list of them. I have a list in my pages, perhaps not this file, but I can give you a list of them.

And the interview with the Chinese Communist here in a famous secret State Department dispatch, he told me about 1 month before we got these dispatches. In other words, all these newspapermen who interviewed him first sent cable copies home and then gave typewritten copies to Service. Service wrote home his dispatch and analysis and so on. Those he showed me and gave me some copies of them. I went into the State Department and showed them to the State Department people. They said, "Very interesting." And then they gave it back to me and said, "You can keep these. We got official copies from China."

Mr. FELLOWS. Who were the men who prosecuted cases?

Mr. LARSEN. You mean Justice Department men?

Mr. FELLOWS. Yes.

Mr. LARSEN. Hickock, I forget his initials. I brought the court transcript along here. Hitchcock is the name. He was up in Buffalo as a sort of pinch hitter for the Justice Department. He came down. I do not believe he was so terribly well acquainted with the case. He did hit the high spots pretty accurately. He knew that Jaffe was guilty for making a point of procuring information from official channels. It was stated in this, here, before the judge.

Mr. FELLOWS. What is that you have?

Mr. LARSEN. That is the transcript of my court hearing.

Mr. CHELF. Did Jaffe ever, at any time, intimate, or did he ever reveal to you the sources of his information?

Mr. LARSEN. No, he hasn't. He generally did that.

Mr. CHELF. I wish you would give us the names of these fellows from whom he was obtaining this information from the various secret spots, for instance, the War Depart- as a sort of pinch-hitter for the Justice Department, the Office of Strategic Services, and these other organizations. In other words, tell us from whom he was gathering this information which I think is vitally important.

Mr. LARSEN. I will supplement my statement with whatever I can remember on that point. I will do that at once, today, when I get home.

Mr. CHELF. He did divulge to you the names from which he was gathering information which in the final analysis was the information from which he wrote his articles and quoted excerpts from confidential and secret documents?

Mr. LARSEN. He did not state what he was getting from them. He said to me, "I am meeting Michael Lee this afternoon. I want to get from him the story of whether T. V. Sung raised 200,000,000 men."

That was strictly a confidential Government affair, you might say. I did not know whether that was secret or whether it had been published in the papers or not. There was a story carried on it. I have this material by the tons at home. It is pretty well classified. If I could find it, it might still be that there is information running around.

This, gentlemen, is the opposite of Amerasia. This is a Chinese very reactionary paper which I also have to see, for I would not get two sides. Those are extremes, and in between, the Indian papers, well, the propaganda thrown out by Indians in America has been largely anti-British. The Indians, in general, would be very much inclined to deal with Russia; they would deal, if they thought they could get something out of it. They are not very communistically inclined. Gandhi and Nehru and these people, they are not Communists, not at all. They are nationalists, essentially. Nehru is anything but a proletarian. He is one of the greatest aristocrats. His father financed the Indian Congress. These men are anything but Communists. They are single men, individuals, in India, who are tied in with the Russians, for reason the British offered them freedom because they felt that the Russians were going into Iran and would go into India, and the long arm of their empire would be cut off.

Men like Jaffe seemed always to sympathize with pro-Communist elements.

Between you and me, I am getting right fed up with Jaffe. My wife definitely was.

She told me several times, "I think we will cool him off."

Mr. SPRINGER. That is the point I do not understand. Jaffe was a Communist.

Mr. LARSEN. I mentioned that from the start, to the Federal Bureau of Investigation. I was very convinced. He denied it to me when I asked him pointblank.

Mr. SPRINGER. After you became convinced that he was a Communist, then you went ahead and dealt with him?

Mr. LARSEN. No; that was after having dealt with him from March 1944. I had very little to do with him at the time this arrest occurred.

Mr. CHELF. When did you become convinced?

Mr. LARSEN. Principally in March 1945.

Mr. CHELF. It took a year?

Mr. LARSEN. Yes, sir.

Mr. CHELF. Through all of your dealings and your many contacts, it took you until then to find out that he was strictly no good insofar as your interpretation of the man was concerned?

Mr. LARSEN. You may think that is a long time. But, after the arrest, I beat around for information on Jaffe, because when I sat in that jail I thought to myself, wait a minute, here I am in jail. Could it be that I am an accomplice to the actual espionage? Could it be that Jaffe, in other words has some relations? Espionage must mean some foreign alien power. I sat and speculated on that.

When I came out, I pressed an acquaintance of mine a little bit who had been in the War Department working on Communist elements. I had never seen these files or anything before. After he had left the War Department he had returned all his files. He was Colonel Crandall. He was out in China. He was paid off. I went up to see Crandall in July or so after the case had broken. He said to me, "Jimmie, you got yourself in a nice mess."

I said, "You are a man to know. You have had these Government's lists of Communists. You would be able to tell me, would you not, whether anywhere on the list what you have on Jaffe, if you have anything?"

He said "Let us go upstairs."

So we went upstairs. He showed me a book he has where Jaffe is listed, I think it is in five different Communist organizations.

Woud you like a transcript of that?

Mr. CHELF. What do you think about that, a transcript of the background of Jaffe? Do you want those things? I think we ought to have them.

Mr. LARSEN. I will get them for you.

Mr. HANCOCK. There is one thing that still bothers me Mr. Larsen. Were the men in your position free to remove these documents and take them home?

Mr. LARSEN. Yes. I would say almost anyone. I thought these documents were locked up.

Mr. CHELF. What regulations did you have?

Mr. LARSEN. There were many facilities, or, if you were dishonest, you could remove them easily. The technical point is this: These documents are the originals. If you do not remove an original document, you are not removing anything. They made dozens of copies. At one time they sent me five or six copies of each kind, stacked like that, and the notice was "Larsen: Retain or destroy."

I selected some of those documents because I thought they were interesting for my personalities. I took them home. I was copying from them at home when the Federal Bureau of Investigation marched into my house.

Mr. HANCOCK. The charge says you unlawfully removed documents and records from the departments and agencies of the Government.

You did not take any originals?

Mr. LARSEN. That is right.

Mr. FELLOWS. As far as the damage that can be done by opening up these secret files of these departments, copies are just as damaging as the originals. The information is the point.

Mr. HANCOCK. Was there not any prohibition of removing the copies?

Mr. LARSEN. The classification would indicate that. "Confidential" meant that it could not go outside the office. It was intended for that office, and could not go outside of that office.

Mr. HANCOCK. Did you return all of these documents, or did you keep some as a reference?

Mr. LARSEN. Any list of any personality material or any story of any person, I took home, if I worked on it at all. Sometimes I would not take it, I would just make a note and say that so-and-so is connected with a Communist party. I found out later he was a member of the Secret Service. Sometimes I went to the extent of typing them off.

Mr. HANCOCK. And would you take all of documents that I listed one time for the those papers back?

Mr. LARSEN. Of course. I let him see five Federal Bureau of Investigation. They were fresh in my memory at that time. He had not returned them to me, they concerned only personalities. He was to comment on that particular subject.

Mr. SPRINGER. Do you know of any other persons who were employed in the Department of State who removed files and took them out at times and then brought them back?

Mr. LARSEN. I might know of one. I cannot give the evidence. I heard at one time that he was a tip-off man for Drew Pearson. His name is Friedman, a Jewish boy, a friend of Roth's.

Mr. SPRINGER. Is that the only other instance you know of except of your own instance of taking the files out and taking them?

Mr. LARSEN. I have walked out in the afternoon at 5:30 with some of my colleagues, that many (indicating) files under their arms.

Mr. FELLOWS. You say "that many." You say documents or a pile of documents 4 or 5 inches thick?

Mr. LARSEN. Thirty or forty documents. Generally, I had an idea of what they were taking home. If they were working on relations with Russia, or Cairo, then they took home everything they could collect on that. They would lay in bed and read them.

Mr. CHELF. That is the strangest thing to me, how they allow those fellows to run free with those documents. I was in the Intelligence in the Air Force. I would have been shot if I would have taken one document to my house or barracks at night. I had to be checked, double-checked, and they checked the file to see that the dial was set. They would check us; they would do everything but strip us down.

Mr. LARSEN. Not in the State Department. Every time you saw a man in the State Department, he is walking on the street and carrying a small brief case, every time you saw one of those men, you would know he was either State Department man or a Fuller brush man. There was a great laxity in the State Department. I thought the security was poor.

Mr. CHELF. Do you have a security officer? Was there a particular one who was assigned or designated as security officer, for confidential, secret, and top secret documents?

Mr. LARSEN. There was such a person. I was called down one morning for not having pressed a little thing in my file cabinet.

Mr. CHELF. All you had was locks?

Mr. LARSEN. Some of them you could jerk open.

Mr. HANCOCK. Was the man responsible for that lack of precaution?

Mr. LARSEN. It is unfair of me to sit here and place the blame, but throughout the whole Far East Division there was a very lackadaisical attitude toward files.

Mr. HANCOCK. Who was the head of the the Division?

Mr. LARSEN. Mr. Ballantyne was head of the Division.

Mr. HANCOCK. Who was Blakelee?

Mr. LARSEN. Expert legalist on the policy committee.

Mr. CHELF. Did you ever designate for me the security officer?

Mr. LARSEN. He was a member of the personnel administrative staff downstairs. He was not an analyst. He was just a State Department employee who came around. He never came around until after we had left. We got a slip the next morning if we had forgotten to close the cabinet.

Mr. CHELF. Was there any rule or regulation which prohibited your leaving any documents at all out?

Mr. LARSEN. There was a rule, but they all did it.

Mr. CHELF. In the War Department we checked every man's desk. We checked his file. We checked every drawer. We looked through everything to see that he did not forget and leave samething out on the desk. Then, if he did, he was cited the next morning. He had to explain why he left that thing out on his desk.

Mr. LARSEN. I was security officer for some time in the Navy Deparment. We took turns.

Mr. FEIGHAN. What was the aggregate sum that Mr. Jaffe gave either you or your wife for the manual work of transcribing this?

Mr. LARSEN. You mean how much money?

Mr. FEIGHAN. Yes.

Mr. LARSEN. I do not suppose more than a couple of hundred dollars, $20 one time, $25 another time. My wife typed. She typed four magazine articles that I still have that I wanted because there were some pictures on both pages. I wanted to have them photographed, and she typed about a thousand cards at 10 cents a card. I think that was the price.

Mr. HANCOCK. Did you ever see Mr. Grew's influence in any way on this controversy? Did he ever advise your committee or did you advise him?

Mr. LARSEN. I want to add something about that Bob Feary story. Bob Feary is said to be the nephew of Mr. Grew, the one who suggested that we throw Manchuria to the Communists.

Mr. HANCOCK. Had he served with Grew?

Mr. LARSEN. In Japan.

Mr. HANCOCK. Had Service been with Grew?

Mr. LARSEN. I do not know.

Mr. CHELF. Is Grew the man who tore up his paper when the thing was voted down 7 to 4?

Mr. LARSEN. That is right. Concerning—if you are trying to place Mr. Grew, I would put it this way, he is not a leftist. He got very peeved when Jaffe published an article criticizing his Emperor policy in June 1944.

Please note: I was not in the State Department. I was still in naval intelligence. September 1, I went over there. I knew Jaffe, though, but Japanese affairs are outside my sphere.

I have not worked with them.

Mr. HANCOCK. Did you ever observe any activity on the part of David Niles?

Mr. LARSEN. I heard his name mentioned. I know Mr. Roth is rather sick with him. He is writing some putrid articles, ignoring the political propaganda; the stuff is no good. Roth has never been in China. He cannot write these articles. It is ridiculous; he is writing on it. I believe, sir, that Roth, I

have come to that conclusion, that Roth is the real Communist, and Phil Jaffe is a man who has money. He owns an advertising card business—no, a greeting-card business, and with the proceeds of his greeting-card business, he finances his magazine, Amerasia. Roth formerly had worked for him, 2 years. He must be somewhat of an enthusiast on political affairs if he will sacrifice that money through the channels of a propaganda paper.

Mr. CHELF. Does he get any money from any foreign sources?

Mr. LARSEN. I wish I knew. If I knew that, I could have a solution.

Mr. CHELF. Did you have any reason to believe it?

Mr. LARSEN. I never knew he had any association outside until afterward. Colonel Crandall showed me a list of the associations to which he belonged.

Mr. CHELF. Do you sincerely believe that all of his functioning from the financial standpoint was the income he derived from his publishing company?

Mr. LARSEN. I believe so. He has a big business. It is just above Amerasia in that building down there, 225 Fifth Avenue. It is a big business.

Mr. HANCOCK. What is his background?

Mr. LARSEN. I could not say for sure that it is the total income. How do I know he does not get a million dollars a year from someone else.

Mr. HANCOCK. From where did he come?

Mr. LARSEN. Russia.

Mr. HANCOCK. Is he a Russian citizen?

Mr. LARSEN. United States citizen. He came here when he was 9 years old. I read that in the paper.

Mr. HANCOCK. He went back to Russia, then?

Mr. LARSEN. No. I do not think so. He heard from some friends. He pleaded guilty, and settled very quickly for that fine, because he was scared of losing his American nationality, citizenship, because he acquired his citizenship by the parents getting it, you know what I mean, the parents came here. He was a minor. Under the law, when the parents get it, then the children get it if they are still minors. He probably never has gone through a naturalization court.

Mr. SPRINGER. He automatically became a citizen when his parents were naturalized, because he was a minor.

Mr. CHELF. How far do you live from here, now?

Mr. LARSEN. I live on Sixteenth and Harvard.

Mr. CHELF. You are here in the District; are you?

Mr. LARSEN. Oh, yes.

I may tell you something you probably do not know. Your investigation dealt me a heavy blow in April. I went to the War Department at the suggestion of a friend, my former boss in the State Department, who apparently had a little faith in me—period. He was second after Blakeslee, Hugh Borton. He suggested that I go to the War Department and apply for a position as an analyst on General Hodges staff in Korea. Korea is divided into the American zone and Russian zone. They want to set up a national bureau of public information. They wanted to have a research bureau there. To my great surprise I went over and they O. K.'d me. They appointed me. I even had my cards printed. I had all my things. I was ready to go. Here is my card, Chief of Research Department, National Bureau of Public Information, Korea. What happened? A friend of Mr. DONDERO's, Mr. Ray Richards, he could not help it, I guess, he is on the New Journal American. He heard about it and he called the War Department and said, "Are you going to let a Communist like that go to Korea and represent us." They got scared to death. They canceled my appointment. In the meantime, the Russians just said they would join with the American zone in Korea. The whole bureau was washed out. The fact remains, I was told they would not be able to use me, although I had been processed and had bought $300 worth of baggage, underwear, camera, developers, film, and stuff I needed out there.

Mr. FELLOWS. Did you get any white shirts?

Mr. LARSEN. Some very poor ones. With my dwindling funds I was physically stuck, and without a degree. I understand, however, that they will get it over with sometime, and I will be able to go and take a job.

Mr. FELLOWS. I think that ought to go into the record. I think this transcript of Criminal Action No. 75,457 ought to be a part of the record.

Mr. LARSEN. This is my personal copy. Temporarily you are at liberty to use it. I will get you another copy of it.

Mr. FELLOWS. Let us put it in the record right here.

(The transcript of proceedings is as follows:)

"IN THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA, CRIMINAL DIVISION NO. 2—UNITED STATES V. EMMANUEL SIGURD LARSEN, DEFENDANT, CRIMINAL ACTION NO. 75457

"WASHINGTON, D. C., *November 2, 1945*.

"The above-entitled matter came on for plea and sentence before Hon. James M. Proctor, associate justice, at 12:10 o'clock p. m.

"Appearances: Arthur J. Hilland, Esq., for the defendant. R. M. Hitchcock, Esq., Department of Justice for the United States.

"PROCEEDINGS

"Mr. HITCHCOCK. If the Court please, this is the second defendant in what has been known as the Jaffe case, Jaffe himself having been disposed of on a sentence by Your Honor under a plea of guilty on September 29, if I recall correctly. The Government has indicated that a plea of nolo contendere is acceptable and I would like to say what we feel about it.

"The COURT. He has offered to enter that plea?

"Mr. HITCHCOCK. Yes; and the Government feels the plea should be accepted.

"The COURT. Very well.

"Mr. HITCHCOCK. Your Honor will recall that this indictment, which was returned in July, alleged that the defendants committed four offenses against the United States, that is, to unlawfully remove documents and records from the departments and agencies of the Government. Mr. Larsen, together with the other two defendants, Mr. Jaffe and Mr. Roth, entered a plea of not guilty on the 30th of August and subsequently on September 28 this defendant filed motions to quash, motions to suppress and a demurrer which are still outstanding and I assume will be withdrawn.

"The COURT. That would necessarily be so.

"Mr. HITCHCOCK. That is, if this plea is accepted. As I told Your Honor in the Jaffe case, there was no element of disloyalty involved. Mr. Jaffe, who was the procurer, these two being employees of the Government, being a man of considerable means——

"The COURT. Yes.

"Mr. HITCHCOCK. And who was and is the principal defendant and as I told you at that time I felt accepting a plea in Mr. Jaffe's case and imposing a fine rather than probation or imprisonment might resolve the entire case.

"This is the second defendant. Mr. Larsen is a man of little means and really no means except the rather modest salary he was drawing.

"The COURT. He does not hold that position now?

"Mr. HITCHCOCK. No; he does not.

"The COURT. Has he been disconnected from the public service?

"Mr. HITCHCOCK. He has been disassociated with the public service. Whether that will be permanent or not I cannot say. I am inclined to think it will. He has had no means of income at all.

"We feel that Mr. Larsen, together with the defendant Roth, were corrupted by Mr. Jaffe. Of themselves they never would have been involved in these series of violation.

"The COURT. Did they receive compensation for this?

"Mr. HITCHCOCK. No; Your Honor. There was one element in the case when Mr. Jaffe was here that Mr. Jaffe did pay small sums of money to Mr. Larsen and Mr. Larsen's wife for the transcribing of information contained on some personnel cards made available to Mr. Jaffe by Mr. Larsen which has no connection except as to their acquaintanceship or knowledge. There was nothing criminal whatsoever.

"The COURT. Who was the third man?

"Mr. HITCHCOCK. Lieutenant Andrew Roth, formerly of the United States Navy.

"The COURT. He was attached to the State Department?

"Mr. HITCHCOCK. He was attached to the Office of Naval Intelligence to which Department Mr. Larsen was attached until last September, at which time he was transferred to the State Department.

"The COURT. What has become of the Roth case?

"Mr. HITCHCOCK. Mr. Roth has a motion for a bill of particulars and a demurrer on file which has been adjourned from time to time. I think the final adjourned date will be in a week or 10 days. I believe there will be a disposition of that case within a short time.

"That very briefly, Your Honor, is our reason together with what I told you before which may deserve repetition now, that the war being over and these agencies closing the file in this case with the countless documents involved would involve at least 4 months' work with very uncertain results.

"The COURT. Mr. Hitchcock, what is your recommendation as to sentence?

"Mr. HITCHCOCK. Our recommendation as to sentence is that this defendant should be fined a substantially less sum that Mr. Jaffe. We had the sum of $500 in mind. Mr. Jaffe was fined $2,500 by Your Honor. If I understand your question correctly, my recommendation in this case would be of a fine substantially less than that in view of their financial discrepancies.

"The COURT. It would be a fine that he can pay?

"Mr. HITCHCOCK. A fine that he could pay, and our thought on that is a fine of $500 on the acceptance of a plea of nolo contendere.

"Mr. HILLAND. I believe Mr. Hitchcock has covered pretty much what I might have said, Your Honor, had I been heard first. He has pointed out, in substance, this: This charge did not arise out of any career of crime. Mr. Larsen is a man of good character and excellent reputation, and he has had a hobby for a number of years of collecting and recording information on Chinese personalities. He pursued that hobby after he became a Government employee. He started in that in 1923 when he was in China and this charge grew out of the pursuit of that hobby. That is what happened.

"There is one matter that I wanted to clear up. I do not think Mr. Hitchcock intended to use the word 'corruption.' There was no corruption about the payment of money or anything of that sort.

"The COURT. I assume he means——

"Mr. HITCHCOCK (interposing). If I may interrupt, what I said was that Mr. Jaffe corrupted this defendant and I have extreme doubt there were any corrupt motives on the part of Mr. Larsen.

"Mr. HILLAND. I think the term should be 'misuse or abuse of friendship' misuse of Mr. Jaffe's friendship with Mr. Larsen.

"The conduct involved was one that would not normally result in criminal prosecution but, as Your Honor knows, it was not the charge that we had here originally. Everyone concedes the original charge should never have been brought. There was no indictment on that charge and, of course, because of the seriousness of the original charge all of these defendants have suffered gravely; the charge that will probably attach to them the rest of their lives, even though they were innocent of it.

"As Mr. Hitchcock has pointed out, Mr. Larsen is a man of most modest means and together with the other punishments he has endured, a fine of $500, as has been suggested, would be very severe and a substantial punishment to him.

"The COURT. You may stand, Mr. Larsen.

"I have no comment to make about the case. It is a case which probably has been given very serious consideration throughout and probably they have the public interest as much at heart as I have in this case and I am, therefore, inclined to accept their recommendation with respect to the disposition of it. Of course, that is induced by what is undoubtedly the past good record of this defendant. I do not assume there is any record of any kind against him.

"Mr. HITCHCOCK. There is none.

"The COURT. There is not anything I need to say about it. With an intelligent defendant such as this gentleman is I would be lecturing him and I am not a very good lecturer, so I will refrain from any comments on it.

"The sentence will be as recommended. I guess we omitted taking the formal plea. I will accept that plea of nolo contendere.

"The CLERK. Emmanuel Sigurd Larsen, in case 75,457, in which you are charged with violation of section 88, title 18, of the United States Code, do you wish to withdraw your plea of not guilty heretofore entered?

"Mr. LARSEN. Yes.

The CLERK. And enter a plea of nolo contendere?

"Mr. LARSEN. Yes.

"The COURT. The fine will be $500.

"Mr. HITCHCOCK. May the record show, Your Honor, that the motions made by Mr. Hilland and I are now withdrawn?

"Mr. HILLAND. Yes, if the court please.

"The COURT. Yes.

"Mr. HILLAND. I suppose technically that would be all that would be needed because when we started out we withdrew our plea of not guilty theretofore entered.

"The COURT. That is withdrawn and the plea of nolo contendere is now entered.

"I assume the defendant will pay that fine now.

"Mr. HILLAND. Yes, I understand he will.

"Certificate of official reporter

"I, Jeanette Rawls, an official reporter of the District Court of the United States for the District of Columbia, hereby certify that the foregoing is a true and correct transcript of the proceedings had in the above-entitled case.

"JEANETTE RAWLS,
"Official Reporter."

Mr. HANCOCK. Can it be true that Service has been sent out of the country?

Mr. LARSEN. Yes, indeed; that is true.

Mr. HANCOCK. Who would designate him? The Secretary of State?

Mr. LARSEN. Dean Acheson, who liked him.

Mr. CHELF. How do you spell your name?

Mr. LARSEN. L-a-r-s-e-n.

I have a score to settle with the Russians. I was 3 years in Manchuria. You do not know what I went through with with those birds.

Mr. HANCOCK. I think perhaps we better go as long as Mr. Larsen is going to be here. We will ask Mr. HOBBS what he wants done.

You have been helpful, Mr. Larsen.

Mr. LARSEN. Do you want a memo on other connections with Jaffe?

Mr. CHELF. The main thing, as I see it, is that you give us, for the record, a list of the names of the fellows from whom Jaffe was getting these other data and secret confidential information. He said he could get those for us.

Mr. HANCOCK. I would like the names of the advisory committee, the advisory and planning committee in the Secretary of State's office.

Mr. LARSEN. Here is the last couple of weeks' material on Manchuria. This is where I get my information. All this has to be processed. Out of the article I may get a few words.

Mr. HANCOCK. We know all newspaper stories are not accurate.

Mr. LARSEN. If you will look in here, these are entered in the index. You will see in the last pages here I have it fairly up to date.

Mr. HANCOCK. Do you read the Daily Worker?

Mr. LARSEN. I never read it in my life.

Mr. HANCOCK. You might get some leads there.

Mr. LARSEN. It is a little late now. These are the little notes I made that eventually go into my card. Very often I don't put it all in. Sometimes my analysis is wrong, made on the spur of the moment. I can correct it before it goes on the card. I am a year behind in my entries on the card file.

Mr. FEIGHAN. Your financial venture with reference to the wool in China, was that profitable?

Mr. LARSEN. Very. I made $11,000 a month. The Lama had complete control of the Mongols, and he just simply ordered them to deliver the wool to our headquarters. I heard afterward he paid them 11 cents. I paid out 16 cents, but he made a little profit, 5 cents per pound. He paid them only 11 cents a pound. We sold that for 80 cents a pound. That was William Forbes & Co. It is a British company in Tientsin.

Mr. CHELF. You were able to make that money yourself or for the company?

Mr. LARSEN. Whatever we made, we split four ways. That was not all, either. We had a small side line, the American ladies fool themselves with fine furs. They are Mongolian dog skins. We bought them for 70 and 80 cents apiece. They sell for $7 or $8. Of course, they redye them. They make beautiful fox furs out of them.

Mr. FEIGHAN. Do you have any financial interests now in any companies in America?

Mr. LARSEN. In no companies.

Mr. FEIGHAN. In any companies from which you are deriving income?

Mr. LARSEN. No. I do not have any income any more. I will tell you that, these days, I am stealing time to come here, stealing it away from a little job I have to do. I have to sell a piece of property. I have a 6-acre lot there I bought 6 years ago on the installment system, and it is all paid for. There is a doctor, Dr. McBride, his son and daughter-in-law want to buy it from me. They are giving me the run-around. I need the money. I think I can tie it over until May 30. I will tell you gentlemen quite honestly, please do not sabotage it, but I have a promise from the War Department, if I am clear, and they seem to have faith in me, I am eligible for a job on Wedemeyer's staff. I will take an oath on the Bible that I will deliver the goods to the United States if I go with Wedemeyer's staff, I will deliver the goods, not as some of these fellows have done, these fellows like Service and Emerson, they sabotaged Hurley. You do not know what harm it did to the United States. You can just imagine. If China gets fed up with our treatment, the Chinese Government gets fed up with our treatment, they are going to swing over toward Russia. Even Chiang Kai-shek will make an agreement with Soviet Russia. We are going to have a Soviet-dominated China from which we will be excluded, politically, and with our business, economically, too. That is what these fellows seem to be wishing to bring about.

It is everything that I have worked against all my life. You may look upon me and think I am 100-percent Scandiniavian. I am a Chinaman under my skin. I have lived so long in China I think in Chinese. I speak Chinese better than I do English. This culminates a long career in China, a long life with the Chinese. I have slept with them, cried with them, gone to school with them, traveled about with them, and I have been arrested with them; I have fought with them, and I am not cold to the Chinese. I do not look upon political affairs in China as a hobbyhorse for personal rackets, and profit, to promote myself.

I do not care if I never make money in this life. I have never made any. As a P-6, I got $6,200 a year. I had to entertain Chinese officials. I have a little girl. I had to dress nicely. I managed to pay $25 a month for a little piece of property. If I had not bought that, I never would have had anything. These fellows are selfish. I do not believe these men are truly pro-Communists. I do not think Vincent is really pro-Communist in his heart. He is just an ambitious person meaning to utilize that at some future date just like they say Acheson has schemed to use it.

They have all ganged together. It is a pyramid where he is at the top.

Mr. HANCOCK. What we are particularly interested in is why documents were allowed to be removed from the State or the Navy Department, and who got them and why. That is what we would like to know.

Mr. LARSEN. I do not know. I can only tell you this——

Mr. HANCOCK. The only man you know who received them was Jaffe?

Mr. LARSEN. No. If you remember correctly, the newspapers said that at the time of their arrest, remember this, six persons were arrested in New York, also Mark Gayn, a Jewish newspaper reporter. I have never seen him in my life. I do not know him at all. Mark Gayn was arrested about midnight while he was sitting writing an article; about him were a dozen official documents. Yet, he was let off, scot-free. He was let out.

Mr. SPRINGER. Was any charge placed against him?

Mr. LARSEN. I do not think there was ever a charge placed against him. He was arraigned under the espionage charge, as a violation; to be correct, conspiracy to violate the Espionage Act during wartime.

Mr. SPRINGER. Was he prosecuted and brought to court?

Mr. LARSEN. No. He went before the grand jury and was acquitted there.

Mr. CHELF. The grand jury did not indict him?

Mr. LARSEN. No. They did not indict him on the lesser charges of possession, illegal possession of Government documents and removal of documents.

Mr. HANCOCK. He had 12, you say?

Mr. LARSEN. Twelve or twenty. We might dig that up.

Mr. HANCOCK. Is there any explanation as to how he got those?

Mr. FEIGHAN. For whom was he a reporter?

Mr. LARSEN. I am not sure who it was.

Mr. CHELF. Who was the other person you were talking about? You started to name several.

Mr. LARSEN. There was Philip Jaffe, Margaret James, Mitchell——

Mr. CHELF. You mean all of the six who had been indicted? They were implicated?

Mr. LARSEN. Roth, myself, and one more—Service; Service, that's who it was.

Mr. FEIGHAN. And how many times were you in the office of Jaffe in New York?

Mr. LARSEN. You mean altogether?

Mr. FEIGHAN. How many times?

Mr. LARSEN. Twice.

Mr. FEIGHAN. When you went there, did you happen to have any of these official documents?

Mr. LARSEN. I never went up there unless I went up with my wife on a shopping spree. I never went to him. He came almost every month to Washington.

Mr. SPRINGER. Did you see him when you went up to New York?

Mr. LARSEN. Yes. He took me out to his——

Mr. SPRINGER. Did you go to his office?

Mr. LARSEN. Just socially I saw him in New York.

Mr. CHELF. Did you ever deliver any documents to him in New York?

Mr. LARSEN. Never.

Mr. FEIGHAN. What were you arrested for in China?

Mr. LARSEN. I was captured by some bandits in 1918. I was on my way home to serve in the Army. I was coming down the river. I was caught by some bandits and tied to the post in the night. They thought I was a Standard Oil man. They wanted to know where the kerosene boats were. They could not read my passport. I was suffering from diarrhea. They tied me to a post kneeling down. In the morning, my wrists were that big [indicating]. They took my passport and got an old man in the village to read the Chinese passport. He said I was all right. They released me and poured hot rice into me and put me on the boat again. They threatened to kill me that night. I was not quite sure I would survive it.

Mr. HANCOCK. We appreciate your coming over.

Mr. FEIGHAN. Thank you.

(Thereupon, at 1 o'clock p. m., the subcommittee recessed subject to call.)

WEDNESDAY, MAY 15, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE
ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10:30 o'clock a. m., Hon. SAM HOBBS (chairman), presiding.

Mr. HOBBS. We will come to order, gentlemen.

We have with us, this morning, Mr. Lyons who is with the State Department, as you all know. This is another one of those hush-hush hearings. We will get the publicity hearings later.

Mr. Lyons, we certainly appreciate your presence. We would like for you to tell us, as much as you can, of your investigation within the State Department with regard to this magazine, and the files missing.

Mr. LYONS. You are referring, particularly, to the Amerasia case?

Mr. HOBBS. Yes.

Mr. LYONS. The story of that, Mr. HOBBS, I rather wondered why I was called. I did have more or less of a direct interest in it at first.

As the Acting Security Officer of the Department at that time, in March I think it was, early March of 1945, I was called in by General Holmes at that time, Assistant Secretary of the Department. It was on a Monday morning. I was called in and shown certain papers. They were confidential, secret, and to the best of my recollection, I would not say there were any top secret papers, but there were certainly secret papers and confidential papers of the State Department. There were documents from the Navy Department. There were other reports indicating the source as the Office of Strategic Services.

I was asked what should be done in this case. These papers were, apparently, found in the possession of someone outside of the Government. They were official Government papers.

Mr. HOBBS. Were they originals?

Mr. LYONS. I do not recall whether they were originals. They certainly were copies. I do not believe there were originals. My recollection of that is not too clear. It was one of those rush things, you take a look at them first, and then you try to make up your mind what is the next step to take.

Then we called in Major Korea of the Navy. General Holmes got in touch with Mr. Forrestal of the Navy and told him of the appearance of these documents. Mr. Forrestal had Major Korea come over, and we met in General Holmes' office that morning. There was just General Holmes, Major Korea, if I am not mistaken, and Fletcher Warren was there, and myself. It was immediately appreciated just how serious this was because, if I am not mistaken, some of these documents were of a military and naval character, perhaps showing troop movements, Nationalist Chinese, but some American troop movements, and some pamphlets in possession of the State Department. They are now, I believe, in the hands of the Department of Justice.

Mr. FEIGHAN. The ones actually found?

Mr. LYONS. They are in the hands of the Department of Justice that handled the case. At this meeting, it was decided to call on Mr. Hoover, of the Federal Bureau of Investigation, and request him to take up this investigation, to see just where it would end.

General Holmes and Major Korea and myself called on Mr. Hoover. He immediately realized just how serious this was. He saw something had to be done about it. He agreed to take on the investigation of the case which was done. The investigation was put into effect immediately. There was no time wasted at all.

Then, under instructions from the Assistant Secretary, General Holmes and I assisted them in looking at certain records or getting into certain offices to see the files in order to carry on the investigation.

Mr. CHELF. When was this investigation actually started?

Mr. LYONS. The early part of March 1945. At that time I was just acting security officer.

Mr. CHELF. Had you been acting prior to that time?

Mr. LYONS. Yes.

Mr. CHELF. How long?

Mr. LYONS. For a couple of months only.

Mr. CHELF. Who had preceded you?

Mr. LYONS. Fletcher Warren. Then I took over from him that job. Then we appointed a full-time security officer because you must realize, at that time, that was merely one of the chores of my work. It was not a full-time job, although it did take full time. Then we appointed a man who is today the security officer. His name is Robert Bannerman. He is a very capable chap who has been an investigator for several years and has been with our chief special agents in the Department. He became security officer, if I am not mistaken, the end of May or early June.

Mr. FELLOWS. What is his duty as security officer?

Mr. LYONS. The security officer's duties, at that time, were for the physical security of the Department. But, in addition to that, he is the chairman of a committee that handles the screening of personnel, applicants for positions. It is an important job.

Mr. FELLOWS. Who was the security officer when Mr. Roth, Andrew Roth, was applying for a job there?

Mr. LYONS. I did not know that Andrew Roth had applied for a job.

Mr. CHELF. He was with the Navy.

Mr. FELLOWS. Excuse me.

Mr. CHELF. He was a lieutenant, junior grade.

Mr. LYONS. He was. That was in the Navy.

Mr. CHELF. He was assigned to the Secretary of State's office as a liaison man.

Mr. LYONS. He maintained liaison between his branch in Naval Intelligence, which was the Far Eastern Branch of OMI. He maintained liaison with our far-eastern office. But, as for his having been assigned to the Secretary, I do not believe that is correct.

Mr. CHELF. Was he in the Secretary's office little or much?

Mr. LYONS. You mean in the Department?

Mr. CHELF. In the Department.

Mr. LYONS. I imagine he was there fairly frequently.

Mr. CHELF. He had an opportunity to see and know the employees of the Department?

Mr. LYONS. Oh, yes.

Mr. HANCOCK. Where did these papers come from that General Holmes showed to you?

Mr. LYONS. They were shown to me on Monday morning. From where they came I do not know. It is not my own knowledge.

Mr. HANCOCK. Had they been recovered from Mr. Jaffe's office by somebody outside of the Department?

Mr. LYONS. Yes. They were given to General Holmes by Mr. Stettinus.

Mr. HANCOCK. They had been suspicious previously?

Mr. LYONS. It was the night before they were given to General Holmes, on a Sunday night. He called me in on Monday morning.

Mr. HANCOCK. Who had had them prior to that time?

Mr. LYONS. I am afraid—excuse me—but this is not from my own knowledge. This is from hearsay, that those were found in the office of Philip Jaffe, editor of Amerasia, in New York.

Mr. HANCOCK. Somebody must have been looking for them. Was it somebody from the State Department?

Mr. LYONS. No. That was the first inkling we had of it, when the papers were given to Mr. Stettinus on Sunday night, and then discussed at the meeting Monday morning.

Mr. FELLOWS. What is the date of that Sunday night?

Mr. LYONS. It was early in March.

Mr. HOBBS. 1945?

Mr. LYONS. Yes, sir.

Mr. HANCOCK. Who recovered them? Somebody must have been sent to Mr. Jaffe's office with knowledge that he had them. There must have been some suspicion that something was wrong, and somebody must have done some investigating.

Mr. LYONS. I have heard the story. From my own work, I am not in a position to testify about that here. I heard about it.

Mr. HOBBS. You had not heard of it at that time?

Mr. LYONS. No.

Mr. SPRINGER. You did not have any information until Monday morning?

Mr. LYONS. Yes. That was the first information I had at that time that there was such a leak.

Mr. FEIGHAN. Your duties as security officer, do they entail surveillance over the physical property, such as books and things that might be in any department?

Mr. LYONS. That is right.

Mr. FEIGHAN. What regulations, or in what manner, did you proceed in order to protect any of those documents?

Mr. LYONS. There were all sorts of security regulations that have been in force for many years, and, especially during the war, there were wartime regulations put into effect that a person could not take out a document above the classification of "Restricted." You could not take such document above that classification out of the Department without the permission of the chief of the division. For example, I myself would not any more think of taking out of the Department any papers and take them home with me because my conscience would bother me. I would not do it.

Mr. FELLOWS. It was being done?

Mr. LYONS. Yes.

Mr. FELLOWS. You did not know?

Mr. LYONS. No. There was a strict control on all the people in the Department; anybody going out with any package, no matter how small or how large, they had to

have a pass from the division chief in order to get that out. The police insisted on that.

Mr. FELLOWS. We have been informed, here, that it was a practice, a more or less general practice, to take brief cases out of there with papers in them, to take them home, and to bring them back when they got ready to bring them back.

Mr. LYONS. That would be only with the permission of the chief of the division for which the man worked.

Mr. HOBBS. All right. Go right ahead, sir.

Mr. LYONS. I guess I got as far as the conversation after Mr. Hoover's talk.

Mr. HOBBS. Yes.

Mr. LYONS. Then, I got into the investigation where we turned the whole case immediately over to the Federal Bureau of Investigation, the whole thing.

Mr. HOBBS. You did not do any investigating yourself?

Mr. LYONS. No. I am not an investigator.

Mr. HOBBS. You were the safety officer at the time?

Mr. LYONS. That is right.

Mr. HOBBS. We were informed that you, yourself, made the intramural investigation in the State Department.

Mr. LYONS. No. I assisted the Federal Bureau of Investigation in that, giving them access to the offices, showing them where the files were, and all that; but as far as any active part in that, I studiously avoided that.

Mr. CHELF. When the Federal Bureau of Investigation agents came into the picture, did they come in during the day or at night?

Mr. LYONS. They were in both day and night, but for the large part, the effective work was done at night.

Mr. CHELF. Would you be there with them?

Mr. LYONS. Yes.

Mr. FELLOWS. These papers have designations on them as "Restricted" and so forth. How do you designate them?

Mr. LYONS. First, you have your plain; there is no restriction. Then, you have your "restricted," which is information anyone in the Department may see.

Mr. CHELF. Not for publication?

Mr. LYONS. Not for publication. Then, you have "confidential." Then, you have "secret," and then you have "top secret."

Mr. FELLOWS. These papers that were shown to you on Monday morning, in what category were they?

Mr. LYONS. Most of them were confidential and secret.

Mr. FELLOWS. I see. None of them were top secret papers?

Mr. LYONS. None of them were—I believe there were, but I would not swear to that in that particular bunch of papers. However, I believe there were.

Mr. CHELF. Do you know about how many papers there were?

Mr. LYONS. In this bunch that I saw on Monday, easily, I should say 35 to 50 different reports.

Mr. CHELF. Of various classifications?

Mr. LYONS. Yes, mostly secret, top secret, or confidential.

Mr. CHELF. Was it said, at that time, from where they had come?

Mr. LYONS. No; not right at that time. Later on, it was.

Mr. CHELF. Did anyone ever indicate how they had been gotten or obtained from Jaffe's office?

Mr. LYONS. To the best of my knowledge, no. I say, I have heard.

Mr. CHELF. What did you learn about that particular angle?

Mr. LYONS. That they had first discovered this by the fact it has been suspected that somebody had access to these files, and in particular, Jaffe, of Amerasia. There was an article that appeared in the Amerasia magazine. I think it was on Siam, if I am not mistaken. That article in there was recognized by a man in the Office of Strategic Services who had either written it or read it in one of his own reports. It was practically verbatim.

Mr. CHELF. That was the one that quoted excerpts without any attempt to paraphrase?

Mr. HANCOCK. He said the Federal Bureau of Investigation was called in after that morning when the papers were shown you by General Holmes. Had not the Federal Bureau of Investigation been in it previously? Was not the Federal Bureau of Investigation the party that recovered those papers from Jaffe's office?

Mr. LYONS. I do not think so.

Mr. HANCOCK. Did not Mr. Brooks tell us something about that?

Mr. HOBBS. He said he did.

Mr. HANCOCK. He was with the Federal Bureau of Investigation.

Mr. CHELF. He called them.

Mr. HANCOCK. Who was Brooks?

Mr. LYONS. Office of Strategic Services.

Mr. FELLOWS. They must have been advised of the thefts because they had been recovered by somebody in the Government.

Mr. HOBBS. He took his men up. He found them there.

Mr. CHELF. It must have been on that occasion that he selected a few of them in order to bring back at least enough evidence to convince the Federal Bureau of Investigation that there was plenty there to be obtained and secured later.

Mr. HOBBS. Off the record.

(Discussion off the record.)

Mr. HANCOCK. Who was Larsen's chief?

Mr. FEIGHAN. He was in the China Division.

Mr. LYONS. Far Eastern Division, in the territorial studies unit, I think, of the Office of Far Eastern Affairs.

Mr. HANCOCK. Was it Blakeslee?

Mr. LYONS. Dr. Blakeslee. That is it.

Mr. FEIGHAN. Supposing you have a document marked "Top secret." How many copies of that are likely to be floating around?

Mr. LYONS. Very few. Every one has to be carried by hand; the personal receipt of the address has to be on that.

Mr. FELLOWS. The copy is just as important as far as information is concerned.

Mr. LYONS. You cannot keep a person from making a copy.

Mr. HOBBS. Off the record.

(Discussion had off the record.)

Mr. FELLOWS. Will you state your experience with the State Department?

Mr. LYONS. Since I have been with the Department?

Mr. FELLOWS. I went with the State Department in 1923. I, at that time, took my oath here in Washington. I was sent abroad, where I was a courier for 2 years, 18 or 19 months, covering all of the capitals of Europe once a month. That involved considerable work of a confidential character, it is true.

I went from the State Department into the Department of Commerce, where I became commercial attaché to Finland after serving as a clerk to the attaché. Then I served in Finland. Then I served in Greece and Albania. From there I was transferred to Istanbul, Turkey, where our office covered Turkey and Bulgaria. From there I went to Budapest, and then I came back here and was out of the service in 1933 when the Department of Commerce offices were closed. My office at Budapest was closed. I returned here and went with the Agricultural Adjustment Agency handling investigations for the enforcement of agricultural agreements. I had an office in New York. I had charge of the eastern seaboard for that.

From there I came back to the Department in 1937 as an assistant chief of the Division of International Conferences, the Division which organizes and makes the administrative arrangements for all international meetings in which this Government takes part. Then I became executive assistant to Mr. Berle in 1940.

At that time one of Mr. Berle's assignments was to handle liaison between the Federal Bureau of Investigation, G-2, the ONI, and the COI.

Mr. HOBBS. Not the CIO?

Mr. LYONS. No; COI. That later turned out to be the Office of Strategic Services. Throughout the war then we handled that directly, the liaison work with the Federal Bureau of Investigation and these other intelligence agencies which the Division still does.

Just for your own information, it is one of the things we do not talk about in the Department. It is just a division that it has. The name sounds strange, Foreign Activity Correlation. If anybody can figure it out, it is all right. It really does not mean anything. We stay away from the press. We have worked very quietly throughout the war. We have performed some fairly effective work with reference to subversive activities.

At the moment I am known as the Director of the Office of Controls. Under that Office comes the Passport Division, the Visa Division, and this Division of Foreign Activity Correlation, the Special Project Division. We handle repatriation and exchanges and we also protect certain interests, for instance, the Swiss Government. That Division handles that.

Then, the other Division is the Security Office. The security officer reports to the Director of the Office of Controls, through me, to the Assistant Secretary, who is Mr. Russell, now.

So, we have the Security Office there. It comes under this Office of Controls; but, as to my taking any active directing part in it, I do act in an advisory capacity.

Mr. FELLOWS. May I ask one more question?

Mr. HOBBS. Certainly. You may ask as many as you want.

Mr. FELLOWS. You say these papers on that certain Monday in March 1945, while we were at war with Germany and Japan, you have described them as confidential?

Mr. LYONS. Yes, sir.

Mr. FELLOWS. The possession of these papers by outsiders, friendly or unfriendly to our country, was a very, very serious threat to the security of the United States of America?

Mr. LYONS. Very definitely. There is no question about that.

Mr. FEIGHAN. While you were security officer, or assistant had any incidents which had taken place come directly to you or been brought to your attention, which would arouse suspicion within the State Department?

Mr. LYONS. No; other than certain newspaper leads which would indicate information was getting out, but whether by word of mouth or by a document being taken out, that was something that was hard to determine.

Mr. FEIGHAN. Were any efforts made to try to track down that leak?

Mr. LYONS. Oh, yes. Yes, sir.

Mr. FEIGHAN. Were they successful in ascertaining through whom the leak came?

Mr. LYONS. You could not get to such a point where you could prove it to a court of law. The finger of suspicion was definitely pointed at certain people.

Mr. FEIGHAN. Were their activities scrutinized more closely from then on?

Mr. LYONS. Oh, yes.

Mr. HANCOCK. Have any additional precautions or safeguards been taken since the discovery of these wholesale thefts? According to Larsen, it was a very common practice for the men in the State Department to walk out with all the documents they chose to take.

Mr. LYONS. I am afraid his statement there was exaggerated.

Mr. HANCOCK. You found, on that Monday, that many had been taken. I am wondering if any precautions were taken to protect

the secrecy of the State Department documents since that time? Or did the same laxity still prevail?

Mr. LYONS. You may call it laxity. I do not see how you can put in strict regulations without some punishment to them that will be effective. For example, shortly after the war, a few months after the war ended, the public thought that the public should have access to all buildings and should not be annoyed by these regulations requiring passes. They said, "There are the buildings. Why cannot we get into them without having to get a pass and be innoculated?"

Mr. HANCOCK. Is there not a law which makes it a crime to reveal any State Department secrets?

Mr. LYONS. I do not know about revealing State Department secrets. I do not believe we have any secrets act. Have we?

Mr. HANCOCK. I am quite sure you have.

Mr. LYONS. It may have to do with codes, cryptographic work, and that, perhaps. But, on information, I do not think so. I would not swear to it. However, not being a lawyer myself, I cannot say.

Mr. CHELF. What was the position there of Larsen in the Far East? Are you familiar with his duties?

Mr. LYONS. Not exactly, other than I believe he was a political analyst on Chinese political affairs.

Mr. CHELF. How long had he been with the Department? Do you remember?

Mr. LYONS. It was not long. He had been with the Department, I should say—and this is merely a guess——

Mr. CHELF. I am very much interested in his background, and learning all I can about that man.

Mr. LYONS. I should say not over a year, a year and a half, he had been with the State Department. He had formerly been with the Navy.

Mr. CHELF. Had he been screened and investigated before he came over there?

Mr. LYONS. Yes, sir. They went to the Navy to get the story on him. I remember that case rather distinctly. We made a very close check as you can well imagine, especially, when he came from one of the Government offices, he came from one Government office to another. The office from which he comes, and with which he has worked, surely, they should have a complete report. We had a little bit of difficulty at first getting the report from the Navy on him. That is how his name came to my attention.

Mr. CHELF. What was the general consensus of opinion of the fellows with whom he worked? What was their estimate of his background? Was he accepted as being strictly O. K. or was he more or less under surveillance for a probationary period of time?

Mr. LYONS. I do not believe he was on any probationary period. He was accepted as a loyal American.

Mr. CHELF. Did any of his actions or demeanor indicate he might not have been 100 percent all right?

Mr. LYONS. Not up until the time of the investigation.

Mr. CHELF. Prior to that time he had been accepted as a loyal employee?

Mr. LYONS. To the best of my knowledge. I have never seen him. He is a name to me only.

Mr. HOBBS. He is no longer employed?

Mr. LYONS. No, sir.

Mr. SPRINGER. The one thing that I cannot understand is that he indicated here that he carried out records to work on at home, night after night, and yet he was never detected by any of the doormen there leaving with those important documents.

Mr. HANCOCK. He was never even questioned.

Mr. LYONS. Never even asked for a slip or a pass to get out?

Mr. SPRINGER. Apparently not. He did not say anything about it. He said that was the usual custom. He said he did it, and indicated that others did it.

Mr. CHELF. He said there were times that he would come out with stacks of papers four to inches thick. Remember, one of you gentlemen asked him how thick for the record. He said 4 to 5 inches. Those were documents and papers of all kind.

Mr. LYONS. Not in a brief case?

Mr. CHELF. In the open.

Mr. HANCOCK. He said it was a common practice.

Mr. CHELF. The thing that impressed me, he was definitely "hipped" on the idea of going into records and backgrounds about outstanding personalities, foreign personalities.

Mr. LYONS. He is a research specialist.

Mr. CHELF. Was he considered a little bit of "screwball" on that one subject or not? I just wonder.

Mr. LYONS. Not to the best of my knowledge. I never heard that.

Mr. CHELF. He came in here with a file of records that he had gone through, all these various records of the Department, and he admitted that he would snipe a bit of information here, or another dash of information there in gathering his material for the background of these particular foreign personalities. They were men of prominence. Then, he had a picture of that fellow. Then he had the whole story from his birth to his death. There seemed to be literally dozens of them.

Mr. HANCOCK. Hundreds.

Mr. HOBBS. He said he had 6,000.

Mr. CHELF. It was biographical data.

Mr. SPRINGER. And he was keeping them up. He had a large black book in which he had memorandums that he had not transposed into the card system.

Mr. CHELF. He said oftentimes a query would come to the State Department for information pertaining to a specific person, and they would call him in. They called him Jimmie. They said, "Jimmie, have you anything on this man?"

He said, "I will check my files at the house and see."

He would come in with it the next morning, and they would be glad to have it. He seemed to be the key man to furnish them with all this information. He admitted, frankly, he worked until late hours at night, every night practically.

Mr. HOBBS. He said it kept him busy for years and years.

Mr. FELLOWS. Everybody called on him, even Jaffe.

Mr. SPRINGER. In the Department, he never did anything that caused any suspicion in his conduct?

Mr. LYONS. Not to the best of my recollection.

Mr. SPRINGER. You would have that information if there had been any suspicion?

Mr. LYONS. It would have come to me.

Mr. HANCOCK. Has anybody except Larsen in the State Department been disciplined because of the wholesale theft of State documents?

Mr. LYONS. In the State Department?

Mr. HANCOCK. Any dismissals or even as much as reprimands?

Mr. LYONS. Larsen was the only one.

Mr. HOBBS. How about Service?

Mr. LYONS. Service was, of course, put on leave, I believe, put on leave at that time.

Mr. HOBBS. Was he not under consideration for another appointment now?

Mr. LYONS. Yes. Oh, I heard he had recently been named counsel general to Manila.

Mr. FEIGHAN. I thought he was over with MacArthur.

Mr. LYONS. Is he over there now? That is what I heard.

Mr. FEIGHAN. Was he requested by MacArthur?

Mr. LYONS. I do not know. I really do not know.

Mr. FEIGHAN. Do you know whether or not General MacArthur expressed any desire not to have him?

Mr. LYONS. Not to the best of my knowledge, no.

Mr. FEIGHAN. You say he was given a leave?

Mr. LYONS. He was put on a leave status.

Mr. FEIGHAN. For how long?

Mr. LYONS. Until he was cleared by the grand jury, some 30 or 60 days.

Mr. FEIGHAN. With pay?

Mr. LYONS. That I do not recall. I do not recall. That was a personnel matter, pure and simple.

Mr. FELLOWS. How old a man is Service?

Mr. LYONS. He must be in his thirties, I should say in his middle thirties.

Mr. HOBBS. All right, sir. We are very much obliged to you, Mr. Lyons. I am sorry to have bothered you. This will be absolutely confidential.

Mr. HANCOCK. How big is your department?

Mr. LYONS. September 14, we had 1,703 people in that building.

Mr. FELLOWS. On Pennsylvania Avenue?

Mr. LYONS. Now I understand there are over 7,000 altogether; that includes the new temporary agencies.

Mr. HANCOCK. In Washington?

Mr. LYONS. Seven thousand with OWI people; that may include an office in New York and San Francisco.

Mr. HOBBS. Thank you very much.

We are waiting for some gentleman from the Federal Bureau of Investigation. We will take a short recess.

(Thereupon a short recess was taken.)

Mr. HOBBS. We are delighted to have you with us, sir.

We will be glad to hear anything in the way of a statement that you have to make to us.

Mr. MCGRANERY. My name is James P. McGranery.

The thing hit me quickly. I talked to the chairman yesterday, and I told him that I would like to discuss with him and find out what is the procedure, how he is going to work this thing out, and what assistance we might be to him. There had been so much loose talk about this matter. I proposed to have here this morning the man who had handled the case directly both before the grand jury and in the court.

Mr. HANCOCK. Hitchcock?

Mr. MCGRANERY. He will be along. We were a little mixed up. Also the man in the Criminal Division who directed the activities will be here.

In the meantime, while they are coming here, if there is anything you gentlemen want to ask me, to which I have the answer, I will be glad to let you have it. There is nothing that the Department of Justice has to conceal in this case.

We handled this like any other matter. I cannot stress that too strongly. There is nothing that the Department of Justice wants to conceal about this matter. We will be glad to give you anything that we have in the case less the technique of how we obtained some of this evidence. That we do not feel that the committee is entitled to have. It is of a confidential sort. But, so far as the facts go in connection with what the evidence was, how it was presented to the grand jury, and how we handled it in court, we will give you everything that we have. You may have the transcript of the testimony before the grand jury.

Mr. HOBBS. That is exactly the position we thought the Justice Department would take. As soon as we get through the hush-hush part of our investigation, we expected to communicate with you gentlemen and invoke your aid and guidance in our investigation. This is absolutely off the record.

What we are doing now is having this hearing in my office. We are not even going to

the committee room. We are taking the testimony of those people who, for strategic reasons, were desirous of keeping their testimony off the record, also their names, their occupations, and their connections with the case.

So far as we are concerned, we will be delighted to hear any statement you gentlemen care to make.

Mr. McGRANERY. Our position would be, Mr. Chairman, that we have no statement to make other than to say to you that we will cooperate to the fullest.

I think you gentlemen realize we cannot disclose our technique of operation in the Federal Bureau of Investigation. That is obvious. Short of that, we will give you everything that we have.

Mr. HOBBS. We are very much interested in the criminal cases, and why these people were not punished to any extent, if there was criminality.

Mr. McGRANERY. Here is Mr. Hitchcock who is the gentleman who handled the case before the grand jury and in the court.

I think you could outline, Mr. Hitchcock, briefly, to the committee what happened there.

Mr. HITCHCOCK. As Mr. McGranery told you, the grand jury minutes are available. In my opinion, the grand jury minutes tell the whole story.

As regards the three defendants who were "no billed" or exonerated by the grand jury, all the evidence we produced and possessed was given against them. Well, they waived immunity and testified before the grand jury. They were examined thoroughly by three attorneys from the Department of Justice. All attorneys were of considerable experience.

As regards the three who were indicted by the grand jury, one of them, as you know, pled guilty and was sentenced to pay a fine of $2,500. That was Mr. Jaffe.

Mr. HOBBS. $2,500?

Mr. HITCHCOCK. That was something less than the recommendation of the Department. We had made a recommendation of $5,000.

Mr. HOBBS. The amount of the fine is not significant. Speaking for myself, personally, I think he deserved a whole lot more.

Mr. McGRANERY. Wait until you hear this story.

Mr. HITCHCOCK. Larsen, who was employed by the State Department, in a civilian capacity, as he had been employed in the Office of the Navy Department, actually removed the documents, so far as we know.

Mr. HOBBS. All of them?

Mr. HITCHCOCK. Those that we can trace the removal of were traced to Larsen. We have not traced removal of any other documents at any time. He, subsequently, entered a plea of nolo contendere. He was fined $500.

The third defendant, Andrew Roth, who was a full lieutenant in the Navy, from the Office of Naval Intelligence; we knew about him, that our evidence against him was practically none.

Subsequent to the two pleas being entered by Jaffe and Larsen, we interviewed both Jaffe and Larsen. After discussing the matter fully, we realized we did not have a case against Roth. This was in February of this year. It occurred back last October. We did not have any evidence on which to proceed.

Mr. HOBBS. Who is Brooks?

Mr. McGRANERY. It does not ring a bell at all.

Mr. HITCHCOCK. That name is not familiar to me.

Mr. HANCOCK. Is he supposed to have found all these documents in Jaffe's office, working for the Office of Strategic Service?

Mr. HITCHCOCK. That name, I have never heard of, to my knowledge.

Mr. McINERNEY. That is how the case started, with the Office of Strategic Services finding in Jaffe's magazine—if you are familiar with the story, I will not repeat it—the Office of Strategic Services went in surreptitiously and took out their own documents.

Mr. HANCOCK. Took out a few so they would not be missed. We understood there were hundreds and hundreds.

Mr. McINERNEY. These documents, Mr. DONDERO was referring to, are not in our case. They were not among the documents we seized. That is obvious from the fact that Mr. DONDERO could not have them; we seized them, the Department of Justice.

Mr. HANCOCK. You did not have the documents Brooks claimed he recovered?

Mr. HITCHCOCK. I know what Congressman DONDERO stated on April 18 and in his speech of November 28. As I recall, it appears in the CONGRESSIONAL RECORD. As regards to the documents he referred to, that is in the record, and he referred to some documents that pertained to the national defense. I never heard of them in my life. I never had any information pertaining to them. No one in the Department did until such time as Congressman DONDERO mentioned them. I saw his speech some few days after November 28.

Mr. HANCOCK. Did you not consult with the Office of Strategic Services at all in connection with this prosecution?

Mr. HITCHCOCK. No, sir.

Mr. McINERNEY. No, sir; for a very obvious reason.

Mr. HANCOCK. I cannot see it.

Mr. McINERNEY. They burglarized the office of Jaffe. We could not use anything they obtained. We did not want to have anything to do with the material which had been removed from the office. We did not have that in our case and did not want to have it in our case.

Mr. HANCOCK. I do not believe I would be so squeamish in wartime.

Mr. McINERNEY. I am squeamish about putting them in evidence in court; it is not our squeamishness.

Mr. McGRANERY. We handled ours our way.

Mr. FELLOWS. Did he plead guilty?

Mr. HITCHCOCK. Yes.

Mr. FELLOWS. To what did he plead guilty?

Mr. HITCHCOCK. Conspiracy to steal and purloin and to aid and assist in the removal of Government property.

Mr. CHELF. Was he charged with any use of the contents of the documents?

Mr. HITCHCOCK. There is no such charge.

Mr. FELLOWS. What is the penalty of a charge of that sort?

Mr. HITCHCOCK. Two years imprisonment or a $10,000 fine, or both, or it is left in the discretion of the judge; they may be made to pay any part of it or none of it.

Mr. FEIGHAN. Is there any difference when it happens in wartime? Or is that an ordinary statute?

Mr. HITCHCOCK. That is correct.

Mr. McGRANERY. Correct.

Mr. McINERNEY. Correct.

Mr. FELLOWS. You recommended $2,500?

Mr. McGRANERY. No, sir. We recommended $5,000.

Mr. HANCOCK. It is in the record you found no evidence of disloyalty in the case of Larsen.

Mr. FELLOWS. Of Jaffe.

Mr. HITCHCOCK. Of both.

Mr. HANCOCK. How could you reach a conclusion that a man stealing hundreds and hundreds of documents, secret, top secret, confidential, and restricted, from the State Department, and delivered them to a magazine which was known to be pro-Communist and un-American, how could you find there was no evidence of disloyalty?

Mr. HITCHCOCK. We had no evidence of any use to which they were put which was disloyal.

Furthermore, this would assist this committee, the documents, themselves, which we recovered, and you are referring to certain classifications of them, an examination of those documents or any of them, or any part of them scarcely, and I use that term advisedly, scarcely come up to it in content to that which I believe this committee has in mind by reason of the three or four documents mentioned by the Congressman in these two speeches. Clearly, we never saw or never heard of or never knew about these documents until such time as the Congressman made his speech.

If I may say this, gentlemen, in connection with Mr. McInerney's observation to you, it appears that you have information that the Office of Strategic Services got into Jaffe's office; as McInerney stated, it was impossible to use that in court. That is not any criterion we have established. The law, as you undoubtedly know, is this: Evidence that is illegally obtained is suppressed, and may not be used in any court of law.

We were handicapped on that even if we had those documents. Any evidence, illegally obtained, is a violation of their rights under the fourth and fifth amendments. We are tossed out right and left.

Mr. HANCOCK. It would influence your judgment if you knew certain facts? Certainly, you would have certain conclusions?

Mr. McGRANERY. I think it might be fair to tell this committee what blew the case up and, really, what knocked whatever value the thing might have out in the air.

One of these gentlemen, whose apartment had been entered, and whose material had been seized, by chance one day said something to his janitor being suspicious that somebody had been in there; he said, "How many times did you tell me that man went into my apartment?"

The janitor became muddled and confused and told him, thinking that he had slipped before. So, the cat was out of the bag so far as he was concerned. He immediately gave that to his lawyer, and our department was quite fearful that they were going to move right then and there.

Mr. HITCHCOCK. They did move.

Mr. McGRANERY. We held the one fellow in our office to get the plea of guilty from him. The deal was made there. If we had not handled it in that way, I do not think we would have any case at all. None of this evidence was obtained in a manner in which we ordinarily would get it. It was very clumsily handled. That is my candid opinion of it. This one bird was smart enough to develop a little technique of his own. We, for a while, thought we had no case at all, not only that, but we thought our faces would be very red by their beating us to the punch.

Mr. McINERNEY. On this day we were expecting this motion to suppress. This came out on September 25, that the superintendent of Larsen's apartment told him that his apartment had been entered twice. We had, in the case at that time, a former member of the Criminal Division, a Mr. Al Herron, who was thoroughly familiar with Federal Bureau of Investigation techniques, and who represented Jaffe. On the day that he came to see us about a possible plea for Jaffe, Hilland, Larsen's attorney, was in the other office serving this motion to suppress and alleging trespass on Larsen's apartment, and alleging wire tapping. We had there Jaffe's lawyer. We thought he would go out into the street and read about this motion to suppress, and then he is going to run to Jaffe's superintendent of the building and say, "Did they go into my place?"

And the superintendent might say, "Yes, sir."

That would be the whole case up in the sky. We held Herron in the office. I called the clerk of the court. I asked him if Larsen's motion papers had been filed yet. He

said they were filed about an hour ago. I asked him if the newspaper reporters had been in to see them. He said they came in with Mr. Hilland. He got the newspaper reporters to come in when he filed that motion.

We knew we had to talk Jaffe's man into a plea before he left that office that afternoon, before he saw the papers. It was at that stage we recommended a substantial fine. We got such a firm commitment from him that he could not withdraw. He read the papers. He heard it on the radio that night, but he stayed with his commitment and pleaded the next morning.

Mr. FELLOWS. Did you examine the stuff to see what they did actually seize illegally?

Mr. MCINERNEY. No. Office of Strategic Service?

Mr. FELLOWS. Yes, sir.

Mr. MCINERNEY. No, sir.

Mr. FELLOWS. You knew they had recovered some stuff?

Mr. MCGRANERY. I think that question would be better left unanswered.

Mr. FELLOWS. Do you know how much Jaffe was making in his business?

Mr. HITCHCOCK. Jaffe was a wealthy man. He had a business known as Wallace Brown Stationery Co., where he did a business in greeting cards and manufacturing of stationery, I believe. He was reported to be well-to-do, if not, indeed, a wealthy man. We knew his magazine Amerasia was a losing magazine. He made up a deficit.

Mr. FELLOWS. For what was he punished? Why was he fined $2,500?

Mr. HITCHCOCK. For conspiracy; the conspiracy was to steal Government property, namely, the papers.

Mr. HOBBS. What papers?

Mr. HITCHCOCK. Papers from the State Department, OWI, FCC, Bureau of Economic Warfare, and there were two or three other agencies involved.

Mr. HOBBS. Not any of this stuff that was gotten by the Office of Strategic Service?

Mr. HITCHCOCK. We could not have used it even if we knew about it.

Mr. FELLOWS. The secret documents you described in the indictment?

Mr. HITCHCOCK. The documents were not described with particularity, but the documents we had in mind were the documents we had in our possession recovered on June 6 in the search of Jaffe's office in connection with the warrant of arrest served on him. We have approximately 150 of those documents that are on their face described as having come from some Government agency.

Mr. HOBBS. Were any of them from the Federal Bureau of Investigation?

Mr. HITCHCOCK. They were mimeographed and hectograph copies.

Mr. SPRINGER. Those particular items you had in your possession, and which you referred to particularly, in this case, were those originals or copies?

Mr. HITCHCOCK. They were what I would call duplicate originals, documents that came from some Government agencies mimeographed or hectographed. They were Government copies.

As opposed to that, there were approximately 150 of them—as opposed, there were about 250 of typewritten copies of documents, papers, which by their content, established that they came from Government agencies. Somebody took them out, and they were typed. But, in any event, the Federal Bureau of Investigation was able to and did trace the typewritten copies that were found in Jaffe's office back to where they found a paper on file or a record or document on file for some Government agency of which that was a typewritten copy.

Mr. HANCOCK. Larsen could not have had access to any papers other than the State Department?

Mr. HITCHCOCK. He could have, and he did make some. They are routed through the State Department.

Mr. MCGRANERY. It indicated a very loose set-up.

Mr. FELLOWS. You could figure out that the charges are that some damn good confidential stuff had gone into the hands of Mr. Jaffe?

Mr. MCGRANERY. We never found it.

Mr. FELLOWS. You could infer that because the gate was open. You could walk in.

Mr. HITCHCOCK. The answer to that question, in my opinion, sir, is "no" because the documents that we have, in the typewritten copies that we now know are copies of documents pertaining almost exclusively to Chinese political and economic affairs. These people were interested in China.

Mr. FELLOWS. Did you know about the Communist activities of Mr. Jaffe?

Mr. MCGRANERY. We knew that long before that time.

May we go off the record, Mr. Chairman?

Mr. HOBBS. Yes.

(Discussion had off the record.)

Mr. FELLOWS. Following Mr. CHELF's statement, I will ask you if there was any way you could get a search warrant to look for further documents?

Mr. MCINERNEY. There are three reasons why we would proceed by search incident to arrest in reference to obtaining a search warrant. The first reason is that we would have difficulty in setting forth the reason to believe that instruments of the crime were present in these premises.

The second reason was that if these documents were confidential, you have to file a schedule of everything seized under a search warrant within 10 days after execution of the warrant. We did not want to do that.

The third reason is that under a search warrant you are confined to taking the instruments of a crime, the fruits of the crime, or contraband; whereas, when you make a search incident to the arrest, you may seize other objects. For instance, if there were a letter in the files in which Jaffe confessed he was a Russian spy, that is evidence and cannot be seized under a search warrant, but can be taken under a search incident to an arrest.

The last two are controlling reasons which we use in making searches incident to the arrest.

Mr. FELLOWS. As an incident to the arrest, did you seize documents?

Mr. MCINERNEY. Yes.

Mr. FELLOWS. How many?

Mr. HITCHCOCK. Approximately 150. My estimate is around 250 typewritten copies of others.

Mr. FELLOWS. The indications were, as I get it from you, I do not know as you said all of them, but many of them were taken by Larsen out of the Department?

Mr. HITCHCOCK. They were largely State Department records. They were almost exclusively in content and also written from the United States representatives to the State Department in India and China largely. They were submitting what took place in their interviews that they held with various Chinese people, both the followers of Chiang Kai-shek and the followers of the Chinese Communists.

There were some top gossip reports. A series of them were headed exclusively pertaining to what various people in China thought about Chiang Kai-shek, and whether his regime was good for China.

Many pertained to the moral life of the generalissimo, his extra-marital activities.

Mr. FELLOWS. That is the first time I heard it called that.

Was Larsen the man who did all this?

Mr. HITCHCOCK. It had to be. Service was loaned to the Army back in 1943, over 2 years, and did not return to the United States until the 18th day of April 1945, which was, approximately, 6 weeks prior to the time these arrests were made.

Mr. FELLOWS. He pled nolo contendere and paid the $500 fine, Larsen?

Mr. HITCHCOCK. Yes, sir.

Mr. FELLOWS. Did you recommend the fine?

Mr. HITCHCOCK. Yes, sir.

Mr. FELLOWS. Did you feel that was adequate punishment?

Mr. HITCHCOCK. No, sir. Larsen had made his motion to suppress this evidence and put in an affidavit how we got that evidence. We knew we could not oppose that motion. We knew we had no evidence against Larsen unless we took whatever deal we could get from him. You gentlemen understand that term "deal."

Mr. HOBBS. You say that no documents or matters of any kind came from the files of the Federal Bureau of Investigation were found that you all know about?

Mr. HITCHCOCK. That is correct. There were State Department reports from representatives in the Far East pertaining, largely, to Chinese personalities, criticism or praise, as the case may be, of the generalissimo's regime.

Mr. FELLOWS. You know if they could get those, they could get others.

Mr. HITCHCOCK. I do not know that.

Mr. FELLOWS. You could suspect it.

Mr. HITCHCOCK. Could they get others that were not accessible to these people? For example, Larsen worked on the China affairs desk. I do not believe Larsen could have gotten into the State Department and gotten other records.

Mr. HANCOCK. He claimed the files were either unlocked or locked so loosely anyone could open them.

Mr. HITCHCOCK. Larsen had a gold badge which enabled him to take documents out obviously, though, not for this purpose, but it enabled him to take them home.

Mr. SPRINGER. That had been given to him by the chief of that division?

Mr. HITCHCOCK. I do not know who gave it to him.

Mr. MCINERNEY. You mean the badge or the paper?

Mr. SPRINGER. The authority.

Mr. MCINERNEY. He had a gold badge, authority to take documents home and review them at home. That was the meaning of the gold badge. He had one of them.

Mr. HANCOCK. He did not tell us that, did he? He just claimed the practice was general.

Mr. CHELF. That is what he said.

Mr. MCINERNEY. He claimed he could blow the roof off the State Department. This was common practice. We thought he might give us something after he pled. That was also a factor in his case. He made the promise that this practice was rife in the State Department, that all of these experts, they had their experts on the outside, they would exchange information, and he used the expression in his statement that Jaffe was one of his particular "honey pots." He was one of his consultants on the outside. Everyone had consultants on the outside. In this specialized field, it was a trade practice to change information of that character. That is what he told us.

Mr. SPRINGER. Did you get any information from Larsen as to whether or not he had ever been stopped by anyone when he was removing documents and taking them to his home?

Mr. FELLOWS. You knew he had been to New York and visited Jaffe?

Mr. MCINERNEY. Yes.

Mr. HITCHCOCK. Larsen?

Mr. FELLOWS. Yes.

Mr. HITCHCOCK. Yes.

Mr. FEIGHAN. What prompted you to arrest Service?

Mr. HITCHCOCK. Jim, I think you ought to answer that. I was out of town on trial when this feature of it broke.

Mr. HOBBS. You mean on a trial.

Mr. MCINERNEY. The evidence on Service was thin. They said there was in Jaffe's office, as I recall it, copies of his confidential reports. When we arrested or made the searches, we found copies of his report. We interviewed Larsen, and Larsen admitted he had given Service's copies to Jaffe, and Service had not given them. Service was very much surprised that Jaffe had that report. It was on that thin allegation that we authorized on Service, and the same way with Gayn.

I went up to see McGranery about Gayn. He was in a very doubtful category. The Federal Bureau of Investigation said there were copies of stuff in his office. I discussed this with Mr. McGranery. We decided to push it. We took a chance on the entire case. We took a chance on some of the subjects.

Mr. MCGRANERY. We did not leave anybody out.

Mr. HITCHCOCK. Are you convinced, Jim, that Larsen was the sole offender in peddling these State documents? You think he, alone, did it all?

Have you finished your investigation or are you satisfied that nothing further should be done?

Mr. MCGRANERY. In that particular case, I am thoroughly satisfied so far as that is concerned, that case, forget about it. So far as the Department of Justice is concerned, forget about it. But certainly, we have not forgotten to be on the alert for anything we could get from there that was good.

Mr. HANCOCK. Unless Larsen is a monumental liar, and he may be, it is a common practice to take State documents out of the files. Have you anybody investigating that?

You ought to have a Federal Bureau of Investigation man in this.

Mr. MCINERNEY. May I say this off the record?

Mr. HOBBS. Yes.

(Discussion had off the record.)

Mr. FELLOWS. We heard somebody testify that he found plans for bombing the industrial center of Japan, the disposition out there of the Japanese fleet, war plans, in other words. You state you have never seen or heard of any such a thing?

Mr. HITCHCOCK. That is correct. I am curious whether the gentlemen of this committee saw any such documents.

Mr. HANCOCK. No. I want to see them.

Mr. FEIGHAN. I would too.

Mr. HITCHCOCK. I would like to see them.

Mr. HANCOCK. As far as I am concerned, I do not care if it is stolen.

Mr. MCINERNEY. We have been puzzled by these documents which Mr. DONDERO is using. They were not part of our seizure. Those are down in our office. How can Congressman DONDERO get them? It is putting the man who is furnishing him with these documents in the same position as these defendants.

Mr. SPRINGER. I, for one, and I know the other members of the committee would like to see some of these documents.

Mr. MCGRANERY. We would.

Mr. HANCOCK. You have some letters and things?

Mr. MCGRANERY. Not of that nature.

Mr. HANCOCK. You have things that were taken from Larsen, have you not? Could not we see those?

Mr. HITCHCOCK. You can see anything and everything we have.

Mr. FEIGHAN. Were not you first brought into this case by the man from the Office of Strategic Services? Who is Brown?

Mr. HITCHCOCK. Brooks. I never heard his name until you mentioned it.

Mr. MCINERNEY. The sequence on that was that they saw this article on Thailand. The Office of Strategic Services went in there a few nights and took out their own documents, then they reported to the State Department on March 12, 1945.

The State Department said to the Office of Strategic Services. "You get out, and call the Federal Bureau of Investigation."

I got into the case on March 19. The Federal Bureau of Investigation told us about the case on May 28. The reason they went in was because all of the defendants were to have a meeting in Washington at lunch. They thought we might make the arrest that day.

That was the day of the proposed arrest, the day we got into the case. We did not know of it before that day. We had no contact with the Office of Strategic Services. We did not want that contact. We were hoping we would legalize this by making these searches incident to the arrest. We feared there would be an attack on them because the warrant of arrest might be illegal because of the illegal trespasses.

We decided to take a chance and try to legalize the entries. We could not legalize the Office of Strategic Service's search because they removed their documents.

Mr. SPRINGER. From all of the investigations you made, from your grand-jury investigation and everything connected with it, do you feel that all of these secret documents that you came in possession of had come through Larsen?

Mr. MCINERNEY. I do not know whether I could go that far.

Mr. HITCHCOCK. They did not. Take your FCC, Office of Strategic Service, or a few of them, the ONI, the BEW, and perhaps one or two others, they could not have come from Larsen. Larsen was never employed there. He had no access to them. So far as we knew, he had never been near the places.

Mr. HANCOCK. I asked that a moment ago. You said these documents were routed through the State Department.

Mr. HITCHCOCK. Some of them, particularly the ONI documents, were routed to the State Department, and insofar as they pertained to Chinese affairs, Larsen would have had access to them from September 1, 1944, not prior to that.

Mr. SPRINGER. Have you been able to discover any other person who could have distributed these documents?

Mr. HITCHCOCK. We had two of them before the grand jury. In Gayn's case, he told us they got them through the area director for area 3, authorizing this girl or woman in charge of the office to give them to Gayn. We immediately sent out subpenas for those two people.

Mr. FELLOWS. A fine system.

Mr. HITCHCOCK. That completely left us stymied. These people were in position of authority. He said he classified them ad hoc, made no record of it, and after authorized the handing them out to Gayn.

Mr. SPRINGER. Did you find anyone that had distributed any of these documents?

Mr. HITCHCOCK. No.

Mr. MCINERNEY. I might add, at the time of the arrest, we told the agent who handled these as laboratory documents, to see if we could process a representative number of them for fingerprints and try to establish a chain of custody from the chief of Jaffe. They were all old documents. We came up with no principal. We did get a couple of prints on some documents we found in Gayn's apartment. They were Gayn's fingerprints on the OWI stuff. We did not get any evidence which would assist us in tracing the custody.

Mr. HITCHCOCK. You realize that many of these documents, that they refer to, date to 1936, from there on. That is why I suggested that you may be interested in seeing them. We have boxes full of them. We have all of them, booklets on health in the Japanese Empire in 1938, for example, completely innocuous, and negative as regards any national defense character at all. Although there were some in the later period, referring principally to political matters in China, one man's judgment might say, when a nation is at war, that political matters pertain to national defense; others say it pertains to military operations, or manufacturing for military purposes or things of that character, those are questions of fact for the jury.

Mr. MCGRANERY. May we go off the record, please?

Mr. HOBBS. Yes.

(Discussion had off the record.)

Mr. FELLOWS. We did get some information about the plans of the proposed bombing of the industrial centers of Japan, and this information was from a man, presumably of standing. He is still connected with the Government investigating other instances. He has never been in contact with you in regard to this proposition?

Mr. MCGRANERY. Have you seen the plan?

Mr. FELLOWS. No, but that is what he told us here.

Mr. SPRINGER. That is his testimony.

Mr. FELLOWS. He was the man who went into that office. The Department of Justice has never had any contact with that man and does not even know who he is.

Mr. MCGRANERY. I do not know him.

Mr. CHELF. I think it is a fictitious name.

Mr. MCINERNEY. That is not part of our case and could not be part of our case.

I might make one further observation off the record.

(Discussion had off the record.)

Mr. FELLOWS. May I have this question on the record?

Mr. HOBBS. Surely.

Mr. FELLOWS. You knew Jaffe's office had been broken into and papers had been taken?

Mr. MCINERNEY. Yes.

Mr. FELLOWS. You do not know who had charge of the expedition that broke into that office originally?

Mr. MCINERNEY. No, sir.

Mr. HANCOCK. Is there no liaison between your office and the Office of Strategic Services?

Mr. MCINERNEY. No, sir. That is on the Federal Bureau of Investigation level. None of their stuff has ever been sent over to the Department for prosecution. Whatever liaison there is, it is on the Federal Bureau of Investigation level. I am sure it exists. There is nothing in the Federal Bureau of Investigation reports which show consultation with or liaison between that agency and the Office of Strategic Service.

Mr. FELLOWS. Did you know it was the Office of Strategic Service that originally broke into that office?

Mr. MCINERNEY. Yes, sir.

Mr. FELLOWS. You did not attempt to find out who it was?

Mr. MCINERNEY. No, sir.

Mr. HANCOCK. That is a very weak point in our Government. All these agencies work without exchanging information.

Mr. HOBBS. I do not know about that.

Mr. MCINERNEY. If I may state something off the record, I would like to.

Mr. HOBBS. Proceed.

(Discussion off the record.)

Mr. HOBBS. As a committee, we would like to ask the Department of Justice that we be furnished information that you have. The committee would like the transcript of the testimony had before the grand jury in all of these cases together with the documents themselves which are now in your possession.

Mr. MCGRANERY. Fine. We will keep in touch with you.

Mr. HOBBS. We would like, also, to get permission to get some of the Federal Bureau of Investigation men up here who know about this matter, anybody they care to have represent them here. Our information is that there are a lot of Federal Bureau of Investigation documents floating around which

have been promised this committee. We have not approached the Federal Bureau of Investigation because we wanted to do that through you.

Mr. McGRANERY. I will talk to Mr. Hoover this afternoon.

Do you want him to appear or somebody who handled the case?

Mr. HOBBS. We do not care about anything that is not connected directly with this case.

We appreciate your presence and your testimony. I think we understand your position very much better than we did.

All of this is, of course, off the record. We have selected Miss Fitzgerald to do the reporting because we know she can be trusted.

Mr. HANCOCK. And we agreed that we would not divulge the fact Brooks testified here.

Mr. HOBBS. You share this confidential relationship with us.

(Thereupon, at 1:15 o'clock p. m., the subcommittee adjourned subject to call of the chairman.)

FRIDAY, MAY 31, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE NO. 4 OF THE
COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to call, at 10:30 a. m.

Mr. HOBBS. Gentlemen, this is another hush-hush meeting of our committee.

We are delighted to have with us this morning the Assistant to the Attorney General, Mr. James McGranery, and Mr. Ladd and Mr. Gurnea of the Federal Bureau of Investigation. They have 1,700 exhibits with them, documents of one kind or another that are alleged to have been stolen.

Mr. Gurnea has informed Mr. Springer and me while we were waiting for the rest of you, that they have digested this material, and they have brought with them the information they made up for the prosecution of these cases. He suggested that that might be very helpful to us. At my request, they are going to leave the exhibits with us so anyone may look them over who cares to.

Is that agreeable, Mr. Attorney General? We will be glad to have you make any statement you care to make. We will decide whether or not we ought to go into it in that way.

Mr. McGRANERY. After I left the last meeting, Mr. Chairman, I went back to check up to see how we stood with some of the things you gentlemen talked about, principally this bombing paper that seems to be stressed. After checking around, Mr. Gurnea told me that he did have such a paper. We checked the paper. We tried to trace it. It is here, and also the tracings that we made.

On the one hand it could be said that it is a very innocuous thing. At the same time, it does demonstrate, to my way of thinking, a very careless set-up somewhere. The paper, itself, is not an original. It seems to have been taken from a number of sources of periodicals, Navy periodicals that perhaps were restricted.

I suppose it might be better for Mr. Gurnea to explain that. I want you gentlemen to know that when we said here at the meeting that we had never heard of such a paper, we were really telling you the truth. It was only after the check-up that we found it. The Department did not, that is, the Federal Bureau of Investigation, attach any importance to it. One reason we did not attach any importance to it was the fact that it had been burglarized and it could not be used as evidence. It came from the Office of Strategic Service, or the Office of War Information. It was of no value to us. They ruled it out themselves without turning it over to the Criminal Division.

Mr. HANCOCK. I thought you told us before, Jim, that you did not have any liaison with the Office of Strategic Service in connection with this case.

Mr. McGRANERY. I think I said I did not know whether we had any particular liaison or not. I did not know that. I think that Mr. McIlnerny said there was some liasion. I think I said that I did not know. McIlnerny said there was some liaison.

Hitchcock, I am sure, said there was some liaison. He did not know what it was. He understood the papers were turned over from the Office of Strategic Service to the Federal Bureau of Investigation.

Mr. LADD. May I give you the preliminary developments in the case which will partially answer that?

Mr. HOBBS. Yes.

Mr. LADD. On March 12, 1945, General Holmes, of the State Department, and Major Correa, of the Navy Department, called to see Mr. Hoover. On that occasion, they turned over a small group of documents which they said they had obtained from Secretary Stettinius that morning; that the night prior thereto, General Donovan, of the Office of Strategic Service, had called at Secretary Stettinius' home and told him that the Office of Strategic Service had obtained from the office of Amerasia, in New York, certain documents. The Office of Strategic Service turned those documents over to Secretary Stettinius inasmuch as it was evidence that there was a leak somewhere in the Government service. Documents were getting into the hands of Amerasia.

Secretary Stettinius instructed that the Federal Bureau of Investigation should make an investigation of this matter. Following that, of course, as I stated, General Holmes and Major Correa came over to see Mr. Hoover and turned the documents obtained out of the office of Amerasia, and we took up the investigation at that point. There was no information as to who was obtaining the records or how they were getting into the hands of that magazine, Amerasia, in New York.

Mr. HANCOCK. I am glad to hear that. We were all astonished that there was so little cooperation between the Office of Strategic Service and the Federal Bureau of Investigation. I am glad to have that cleared in the record.

Mr. LADD. I might put this on the record for your information, also. I think it should be there. In the early days of the emergency, prior to the outbreak of the war involving the United States, we had an agreement with the War Department and the Navy Department to cooperate with them and work with them on intelligence matters.

Part of that agreement was that any information we wanted from the War Department, we would request of G-2. Anything we wanted from the Navy, we would ask of the Office of Naval Information. Likewise, when any branch of the War Department wanted information from the Federal Bureau of Investigation, they would make the request through G-2 so that if the Provost Marshal General's Office or the Judge Advocate General's Office desired information from the Federal Bureau of Investigation's office, they requested it through G-2, and G-2 would ask us for it. We would give it back to G-2 for proper dissemination.

The same liaison arrangement was true with the Office of Strategic Service when it was formed. Everything we wanted from the Office of Strategic Service or any other branch of the War Department or Navy Department was requested through either G-2, or ONI.

Mr. HANCOCK. Off the record, please.

(Discussion off the record.)

The CHAIRMAN. Proceed, gentlemen. We must get along.

Mr. Gurnea, would you proceed? How do you wish to proceed?

Mr. LADD. Mr. Gurnea can give you all of the details in which you are interested. He was in active charge of the case. I am sure he will be able to answer any questions which you might be interested in.

Mr. GURNEA. In view of the reference to the bombing targets in Japan, would the committee be interested in looking over that before we proceed?

The CHAIRMAN. I should think so. Let us be brief about it.

Mr. McGRANERY. It refers to targets in Japan. It does not indicate anything here in the States.

You might tell them, too, Mr. Gurnea, if you will, the result of your tracings, as to where it came from.

Mr. GURNEA. I inquired at the Navy Department. That inquiry revealed that that is not a verbatim copy of any official Navy document, that that is more or less a digest of information from various and sundry Navy documents.

Mr. HANCOCK. Secret documents?

Mr. GURNEA. Various classifications, some secret, some restricted, and some confidential.

Mr. FELLOWS. This is marked "top secret."

Mr. McGRANERY. That is put on there. We do not thing that is the "McCoy." It may have been done to deceive Amerasia. Anything that is top secret usually carried with it a number, does it not, Mr. Ladd?

Mr. LADD. In most instances.

Mr. HANCOCK. What would be the object of putting "top secret" on there?

Mr. GURNEA. That was, apparently, put on by the person who prepared that particular paper, and, although we do not know definitely, apparently he did that just to either add credence to the paper, or be sure that no one outside of their own group got access to the paper.

Mr. HANCOCK. It was recovered from the office of Amerasia?

Mr. GURNEA. Yes.

Mr. LADD. That was one of the documents recovered by the Office of Strategic Service originally.

The CHAIRMAN. Do you know who was the operative in charge for the Office of Strategic Service?

Mr. GURNEA. I do not; on the occasion they recovered the documents?

The CHAIRMAN. Yes.

Mr. GURNEA. No.

The CHAIRMAN. Do you know a man by the name of Brooks? A Mr. Brooks?

Mr. GURNEA. Of the Office of Strategic Services?

The CHAIRMAN. Yes.

Mr. GURNEA. No. I am not acquainted with him.

The CHAIRMAN. None of you gentlemen know anything about Mr. Brooks?

Mr. GURNEA. No. As a matter of background, as far as the Office of Strategic Services is concerned, when the investigation was turned over to us, we realized that these documents did not have any value as far as evidence was concerned. We immediately started our own investigation starting from scratch, so to speak, as I will indicate to you later on when I outline the investigation to you.

The Office of Strategic Services, at that time, indicated that that was all the information they had on this particular matter.

Mr. HANCOCK. We are not a criminal court. The documents are evidence as far as we are concerned. That appears to be a report by somebody who had access to secretary information in the Department.

Mr. McGRANERY. That comes from—he has them listed there—a number of periodicals. Some of them are British periodicals. My own personal view of it is that it is a most innocuous document, outside of the fact that something of a top-secret nature came out of the Navy Department.

Mr. FELLOWS. If they could take that paper, they could take any paper.

Mr. McGRANERY. You are as right as a clock about that. That is the angle you are after.

The CHAIRMAN. That is right.

Mr. MCGRANERY. I think you are dead right about that.

Mr. LADD. We can show you, by the 1,700 exhibits, that they did have access to almost anything.

Mr. FELLOWS. In the Naval Intelligence, State Department, and what other departments?

Mr. GURNEA. Foreign Economic Administration, Federal Communications Commission, Office of Strategic Services, Bureau of Economic Warfare, and Office of War Information.

Mr. HANCOCK. How about any of your own records?

Mr. GURNEA. There was only reference to one of our reports. They had none of our original reports.

The CHAIRMAN. All right, Mr. Gurnea, will you proceed?

Mr. GURNEA. I thought perhaps the committee would be interested in hearing a brief outline of the entire investigation. I have prepared for you, here, a brief outline. I would be happy to discuss any phase of it. With your permission, I will proceed with that.

The CHAIRMAN. Proceed.

Mr. GURNEA. An employee of the Office of Strategic Service, Mr. Kenneth E. Wells, Chief of the Southern Asia Section, Far Eastern Division, Research Analyst Branch, while reviewing the January 26 issue, 1945, of Amerasia, noted an article entitled "The Case of Thailand." He noted it was not a verbatim copy of a report he had prepared for the Office of Strategic Service, but the substance and text of the article was such that he knew that the article must have been written from the report he had prepared for the Office of Strategic Services.

The matter was discussed by the Office of Strategic Services representatives with the State and Navy Departments when it became apparent that Philip Jaffe was receiving classified material from those agencies.

Following a conference between representatives of the State and Navy Departments, it was decided by the Secretaries of those Departments to refer the matter to the Federal Bureau of Investigation for investigation.

On March 12, 1945, representatives of the State and Navy Departments, Gen. Julius Holmes and Major Correa—Major Correa was at that time an adviser to Under Secretary of the Navy Forrestal—came to the Federal Bureau of Investigation and reported the matter to Mr. Hoover and also advised Jim that it had been decided by the Navy and State Departments to turn the entire matter over to us for investigation.

Mr. Hoover, of course, ordered that an immediate investigation be conducted of the entire matter.

In view of the fact that the article appeared in Amerasia an investigation was first conducted to determine the identity and background of that magazine. We found it was published at 225 Fifth Avenue, New York City. The editor and owner of the magazine was Philip Jaffe. The co-editor was Kate Mitchell. Inasmuch as Philip Jaffe and Kate Mitchell were the editors and coeditors, respectively, an investigation was immediately begun of those two individuals.

I have here a brief biography of those persons if you would like to hear them?

The CHAIRMAN. I think we would like to hear them.

Mr. GURNEA. Kate Louise Mitchell has, since 1940, been coeditor of Amerasia which is owned by Philip Jaffe. She lives at 127 East 54th Street, New York City. Miss Mitchell was born of American parents in Buffalo, N. Y., September 1, 1908. She is a graduate of Bryn Mawr College. She was graduated in 1932. She is a world traveler who has worked and studied in most of the countries in the Far East and in many parts of Europe.

After her graduation from college in 1932, she was employed by the Institute of Pacific Relations from 1933 to 1940. From 1934 to 1940, she was private secretary to Mr. Edward C. Carter, secretary general of the Institute of Pacific Relations, and in such capacity, made numerous trips with him to foreign countries.

From 1940 to 1942 she continued to do research work for the Institute of Pacific Relations on a part-time basis. She was also reported to have contributed articles to the periodical New Masses. According to Miss Mitchell, Amerasia is now entirely owned by Philip Jaffe. However, it was formerly a corporation. The corporation was dissolved in 1943 when many of the members of the editorial board had entered the Government service. At present, the publication is published, primarily, through the joint efforts of Philip Jaffe and herself. Miss Mitchell advised that she has no financial interest, whatever, in the magazine, although in 1944 she furnished $2,500 of her own money to partially meet the deficit incurred by the magazine.

Also, prior to June, 1945, she had contributed $1,000 of her own money toward the deficit of that year. She made the statement that neither she nor Jaffe drew any salary for serving as editors.

In January 1943, she was listed as a guest lecturer for the School of Democracy for New York City. She was also listed as a lecturer for the Jefferson School of Social Science, the successor to the School of Democracy. She contributed to the National Council of American-Soviet Friendship.

Philip Jaffe, alias Y. W. Phillips, was born March 20, 1897, in Moglive, Ukraine, Russia. He arrived in the United States in 1905 and was naturalized in New York City on May 4, 1923. He was graduated from Columbia, receiving a B. A. and M. A. degrees. On May 30 he married Agnes Newmark. He served in the United States Army from October 12 to November 28, 1918, at which time he received an honorable discharge.

He has obtained passports on at least two occasions for travel abroad, one in 1929 for travel to Europe, and the other in 1937, for travel to the Far East.

Jaffe is, of course, the owner of Amerasia and president of Wallace Brown, Inc., which are printers of stationery and greeting cards, both located at 225 Fifth Avenue, New York City.

Jaffe has been affiliated with a number of organizations, among which are the National League of American Writers, American Council on Soviet Relations, National Council of American-Soviet Friendship, the American League for Peace and Democracy, and the American Friends of the Chinese People.

Jaffe has been a known contact of Earl Browder, Alexander Trachtenberg, head of the Communist International Publishers, Nathan Kohn, alias Nat Ross, head of the Communist Political Association in Minnesota, and Edward Barski, president of the Joint Anti-Fascist Refugee Committee, and others.

During the instant investigation, Jaffe was known to have contacted Earl Browder on April 16, 22, and 25, 1945.

Jaffe is also known to have visited the Soviet Consulate in New York City. Jaffe's chief source of income is Wallace Brown, Inc., and according to his own statement he is publishing Amerasia at an annual deficit of approximately $5,000 a year.

Referring, again, to the outline of the investigation, and checking into the past activities of these individuals, it was learned that Jaffe had, on previous visits to Washington, been in contact with Emmanuel Sigurd Larsen, and Lt. Andrew Roth. Upon receipt of this information and other matters, an intensive investigation was also begun inquiring into their past activities.

I have, also, a biography on Larsen and Roth for you.

Emmanuel Sigurd Larsen, according to available information, was born August 27, 1897, at San Raphael, Calif. His parents were both natives of Denmark, and reportedly, became naturalized citizens of the United States at San Francisco, Calif.

He was educated in China and Denmark. He received a degree from the University of Copenhagen in 1916. Thereafter, he went to China and was employed by the Chinese Postal Service.

It was reported on December 10, 1920, he married Lenore Jaffe. So far as we know, she is no relative of Philip Jaffe. She was a British subject, a native of Singapore. They had one son, James Lewis Larsen, born in Foo Chow, October 24, 1921.

According to the records of the Office of Naval Intelligence, Larsen was requested to resign from that service in 1927 or 1928 because of his relations with one Dora Skvirsky, reportedly, a Russian girl of questionable character. It is alleged as a result of this affair, Lenore Jaffe was forced out of her home with her minor son. Lenore Jaffe is said to have divorced him at Tientsin and was given custody of their child. However, Larsen was to contribute to the child's support until the child was 18 years of age. Larsen made a final settlement of $600 in 1938 when Lenore Jaffe remarried. Larsen is reported to have married Dora Skvirsky, a native of Krasnoyarsk, Russia, at the American consulate, at Tientsin, China, in December of 1928.

Information has been received to the effect that Larsen abandoned Dora Skvirsky and returned to the United States, bringing with him Dora Skvirsky's two children by her first husband whose name was Naidus. These children were adopted by Larsen in Chicago on July 1935, at which time Larsen divorced Dora.

On November 23, 1938, Larsen married Thelma Earles, a stenographer in the Office of Naval Intelligence, who was born at Willis, Va., on June 22, 1915. Their daughter, Linda, was born in 1939. Larsen's adopted children lived with the newly married couple for a short time, but I understand that they, ultimately, left because they could not get along with Larsen's third wife. The son left home, and is regarded as an irresponsible person. He has a criminal record. Vera, the daughter, left home in 1940. Her present whereabouts are unknown. Both these children are registered as Russian aliens.

During the time Larsen was in China, he served as adviser during 1927 and 1928 to Teh-Ching-Mu, a lama of Inner Mongolia. I understand that is some sort of a minor official in one of the provinces in Mongolia where he allegedly left, because of internal revolt, and the arrival of pro-Japanese officials.

From 1928 to March 1935, he served as traffic manager with the British-American Tobacco Co. He took care of relations between Chinese civil and military officials and the company. It is alleged he was either discharged or requested to resign from the British-American Tobacco Co. because of discrepancies in expense accounts.

From October 1934, to February 1935, he claimed to have been employed at Pekin by the Chinese Secretary of Service as an investigator. He, allegedly, resigned from this position when the Japanese threatened his life.

In a clipping taken from the Manchuria Daily News dated April 16, 1934, there is reported an interview given by E. Larsen, formerly of the British-American Tobacco Co., who reportedly praised, at that time, the activities of the Japanese in Manchukow. This quoted him as saying, "That proves, conclusively, national native population of Manchukow is overwhelmingly satisfied with the new state of affairs."

After his return to the United States, he was employed from September to October of 1935 by the American Council of Learned Societies under the Rockefeller Fellowship at the Library of Congress preparing biographies on Chinese personalities.

From October 1935, to August 1944, Larsen was employed by the Office of Naval Intelligence making analyses of Chinese and Far Eastern political and economic situations and combat estimates of the above countries.

This work entailed the collection of information about enemy troops, and it involved the handling of secret Navy documents. He was also engaged in the training of young naval officers in intelligence work.

On August 31, 1944, he was transferred to the Department of State at a salary of $5,600 a year as a country specialist in the Division of Territorial Studies.

I understand that, at the present time, he is unemployed and has not been successful in being employed since the time he picked up on this case.

Lt. Andrew Roth was born in Brooklyn, April 23, 1919. His parents, Abel and Bertha, were born in Hungary. Roth's father was naturalized May 28, 1920. Roth received a degree from the City College of New York in 1939 and his M. A. from Columbia University in 1940. His thesis for his master's degree was entitled "Labor and Nationalism in China."

He enlisted in the United States Naval Reserve under the V-12 program on December 3, 1941.

During 1941 and 1942, he was enrolled in the Japanese Language School at Harvard. During this period, he married, Renee Louise Knitel of Brooklyn, N. Y. He first held a rating of yeoman, second class.

On August 28, 1942, he was commissioned ensign and transferred from Cambridge, Mass., to Washington, D. C., reporting for intelligence duties in the Office of Naval Intelligence September 12, 1942.

In December of 1943, Roth was assigned to the Japanese Fleet Desk in the Office of Naval Intelligence.

On January 1, 1945, while still assigned to these duties, he was made a full lieutenant.

His former employment included that of a reading clerk, history department, City College of New York, 1939 to 1940; research worker, associated with the International Secretariat of the Institute of Pacific Relations from 1940 to March 1941; teacher in training history department, DeWitt-Clinton High School, New York City, February 1941, to September 1941, and research associate for the magazine Amerasia under the immediate supervision of Philip Jaffe during July and August of 1941.

Mr. CHELF. Associate what?

Mr. GURNEA. Associate research man of the magazine. He worked for Jaffe doing research work for him, and also assisting in the preparation of articles for the magazine.

He also contributed articles to Amerasia in the months of August and November, 1940, and during June, August, and October of 1941.

On September 5, 1943, he contributed a letter to the New York Times in which he defended the Free German Committee in Moscow, the objectives of which he claimed to be immediate and military and not postwar and political.

Roth attended the conference of the Institute of Pacific Relations held January 3, 1945, at Hot Springs, Va., as a representative of the Office of Naval Intelligence.

Referring, again, to the outline of the investigation, a physical surveillance was placed on Jaffee on March 16, 1945, and the pertinent information obtained by the surveillance was on March 21, 1945, when Jaffe left New York City for Washington, D. C. Upon arrival in Washington, at noon, that day, he proceeded to the Statler Hotel where he was met in the lobby by Emmanual Larsen, and a short time later, he was joined by Lieutenant and Mrs. Andrew Roth.

At this time, Larson and Jaffee were carrying brief cases.

Mr. CHELF. Will you repeat that? There is a striking conflict in the testimony that Larsen gave us as to how he met this fellow, Jaffe. I would like to hear that again, please.

Mr. GURNEA. This does not, however, set out information as to the manner in which Larsen, originally, met Jaffe.

Mr. CHELF. I see.

Mr. LADD. This is the first meeting after we put the physical surveillance on him.

Mr. GURNEA. Roth, at that time, was carrying a large manila envelope. After having had lunch in the Colony Room, of the Statler, Mrs. Roth separated from the group. Larsen and Jaffe entered Roth's car which was parked near the hotel. They drove Larsen to the Walker-Johnson Building which is occupied, as you know, by the State Department where Larsen left the group, leaving Jaffe in the car with Roth.

Larsen's offices, when he was working in the State Department, were in the Walker-Johnson Building. Roth and Jaffe then drove, by a circuitous route, to a parking area on the east side of the main Library of Congress building where they parked. They were observed by agents to be engaged in a discussion and an examination of papers which they placed on the steering wheel of the car from time to time. Sometime later they left the parking area and drove to Roth's apartment at 1614 North Coomb Street, Arlington. They remained in Roth's apartment until late afternoon. Following Roth's apprehension, he stated that the papers he and Jaffe were discussing, and those contained in the manila envelope which he was carrying were, to the best of his recollection, a chapter of a book he was writing. He stated he desired to have Jaffe review the manuscript. He advised he had gone to the Library of Congress because Jaffe expected to do some research work there, but later changed his mind and consented to go over Roth's manuscript in the car.

At the time that Jaffe was apprehended, he refused to comment on any of his activities and contacts with the other subjects in the case. Consequently, it was not possible to interrogate him, specifically, on this point, and get his version of the identity of the papers that were being discussed by Roth and him in the car.

It is pertinent to observe, following the apprehension, Mrs. Roth was asked whether Philip Jaffe may have reviewed articles prepared by Roth or sections of his prospective book. She replied, "Absolutely not."

She stated, further, that Jaffe, himself, was writing a book, and had no time to concern himself with Roth's work.

At approximately 5:30 p. m., on that same day, March 21, Jaffe, accompanied by Mr. and Mrs. Roth, left the Roth home in Arlington, and drove to the vicinity of the State Department. Jaffe separated from the Roths at this point, and walked to the Statler Hotel where he was observed to meet Emmual Larsen in the lobby.

He and Larsen left the hotel for a brief walk in that vicinity, and after leaving Larsen, Jaffe returned to the hotel where he again joined Mr. and Mrs. Roth and Mr. and Mrs. Mark Gayn.

Mark Gayn was born Mark Julius Ginsbourg. These five persons had dinner that evening at the Good Earth Restaurant, and after dinner, Mr. and Mrs. Roth drove Jaffe to the Union Station where he boarded a train and returned to New York City.

Between March 21 and April 18, 1945, it was determined, through physical surveillances, that Gayn was in frequent contact with Jaffe in New York City, as well as the contact that he had with him down here. He was also in contact with Jaffe's coeditor, Kate Mitchell. These contacts indicated a very close association, and for the reason, an intensive investigation was immediately begun looking into the background of Mark Gayn and, of course, at least, a preliminary investigation looking into the background of his wife.

A brief biography of Gayn is as follows:

Mark Julius Gayn was born April 21, 1909, at Barin, Manchuria, China, as Mark Julius Ginsbourg. Gayn's father and mother, Julius Moses and Mary Ginsbourgh, were born, respectively, in Vitenesk and Minsk, Russia.

In 1923 Gayn's family moved to Vladivostok, Russia, where Gayn attended a Soviet public school.

In Gayn's book, Journey From the East, he compliments the Russian educational system, the freedom of speech, and the puritanical attitude of the people. He further states in his book that he had been a member of a Russian association for aviation and chemical warfare, which group was, at that time, conducting drills for civilians to protect them from possible gas attacks during future wars.

In his book Gayn also advises that in 1927 his family moved to China, where he was associated and worked with Chinese students who sought to engender the Chinese revolution in China.

Gayn's family came to the United States in the summer of 1939. He entered the United States on an immigrant's visa in October of 1939 under the name of Ginsbourg. A petition to change his name to Gayn was granted by the Supreme Court of the State of New York on June 11, 1940. Gayn was admitted to citizenship on November 8, 1944, in the southern Federal district of New York. Gayn had, previously, been in the United States in 1929 when he was enrolled at Pomona College in California. He, subsequently, went to Columbia University's School of Journalism. He received his B. A. at Pomona College. He married Sally Waldman on September 2, 1941. Se was born in Kiev, Russia, July 1, 1903, and naturalized through her father in Chicago on January 7, 1911. Sally Waldman was married on March 22, 1922, to Samuel E. Putnam, and divorced from him on January 20, 1924. On November 26, 1924, she married George H. Francis. This marriage was annulled on November 16, 1931.

Gayn is the author of several books. According to the records of the School of Journalism at Columbia, he was employed from 1934 to 1939 by Domei, the Japanese news agency in China. Gayn has been associated with various newspapers and magazines. During the latter part of 1944 and the beginning of 1945 Gayn attempted to obtain a passport permitting him to travel to the Soviet Union. He was not successful, however, in securing the necessary visas.

The June 16, 1945, issue of Collier's magazine contained an article entitled "Terror in Asia," written by Gayn. The editor's note states that the article is based on information from official sources, and gives a detailed report as to the bombings of Japan.

Prior to the publication of this article, a letter from Collier's stated that the article was based upon interrupted Japanese broadcast radiograms and confidential reports. The latest information we have on Gayn is to the effect that he is now in the Far East, supposedly in India, serving as a roving reporter.

Mr. FEIGHAN. For whom?

Mr. GURNEA. No one. He was being considered by the Chicago Sun, I believe. He was sent out there as a reporter for the Sun. He was also going to represent other papers and magazines, sort of a free-lance writer.

Mr. FELLOWS. That is one of Marshall Fields' papers?

Mr. GURNEA. That is true.

Referring, again, to the outline of the investigateion, in the interim an investigation was conducted in Washington, D. C., which

disclosed contacts between Larsen and Roth as well as the fact that both Mr. and Mrs. Roth frequented the Institute of Pacific Relations, and the Washington Book Shop.

On April 10, 1945, Larsen and Roth had luncheon together at the Trianon Cafe with Mrs. Roth. When leaving the restaurant, Mrs. Roth was observed to be carrying two large manila envelopes. Mrs. Roth took these envelopes to her home in Virginia.

The following day, April 11, 1945, Mrs. Roth departed from Washington for New York City. A surveillance disclosed that the porter had first put her luggage at the end of the car with the other luggage, and upon her insistence, he moved it, placing it on the seat next to her.

Upon arrival in New York City, Mrs. Roth went to the home of her parents, Mr. and Mrs. Roth O. Nettle, at Mohawk Hotel in Brooklyn.

On April 12, 1945, a Federal Bureau of Investigation agent, who was at that time in the offices of Amerasia observed that Mrs. Roth entered those offices. At that time, she was carrying a large manila envelope. Shortly after entering the offices of Amerasia, she was admitted into the private office of Philip Jaffe.

After remaining in his office for a relatively short period of time, she left, at which time she was no longer carrying the manila envelope she had taken in with her.

Subsequent to the apprehension of the six subjects, Mrs. Roth denied having visited Jaffe on this occasion. Andrew Roth, however, acknowledged the fact that his wife told him she had visited Jaffe on that particular trip to New York.

By observation, it was further determined that prior to leaving New York on April 14, 1945, Mrs. Roth visited the home of Philip Jaffe at 49 East Ninth Street. This visit was, apparently, for the purpose of having dinner.

Later that evening, Jaffe and his wife dropped Mrs. Roth off at the Pennsylvania Station where she boarded a train and returned to Washington.

On April 15, 1945, through physical surveillance, a meeting between Roth and Larsen was observed.

Roth left his office in the Navy Building shortly after 9 a. m. carrying a large envelope. He met Emmanuel Larsen on the corner of Eighteenth and D Streets NW., and was observed to hand an envelope to Larsen, and thereafter the two of them walked to the main building of the State Department. Larsen was observed later returning to his own office in the Walker-Johnson Building carrying what appeared to be the same envelope Roth had delivered to him.

When questioned concerning this, Roth explained the incident by stating he had given Larsen some photographs of far-eastern personalities on that occasion and, possibly, a portion of the manuscript of his book.

On April 18, 1945, Jaffe again returned to Washington. Upon arrival in Washington, he proceeded to the Statler Hotel. While registering, he was met by both Larsen and Roth.

Roth, at that time, was carrying a manila envelope with a newspaper folded around it. Larsen was carrying a similar envelope. All three proceeded to Jaffe's room, and a short time later, came downstairs and had lunch in the Embassy Room.

At this time, none of them was carrying the envelopes or brief cases which they had taken to Jaffe's room.

After lunch, they returned to Jaffe's room where all of them remained for approximately 1 hour, after which Larsen returned to his office. Roth remained in Jaffe's room for some time later, Larsen left.

When Roth eventually left the hotel, he was observed to be carrying a manila envelope. Later, the same afternoon, Jaffe was visited by Mark Gayn. The two of them had dinner together that evening. After dinner, Jaffe again met Larsen, and they proceeded to Larsen's apartment at 1650 Harvard Street NW., where they remained until nearly midnight.

On April 19, 1945, Roth had luncheon with Jaffe at the Statler. After lunch, Roth returned to the Navy Department, and Jaffe to his room. At 3:30 p. m. Larsen was observed to enter the Statler, at which time he was carrying a large well-filled manila envelope. He met Jaffe in the lobby. Jaffe had a brief case in his possession which he opened while talking with Larsen, and after thumbing through some paper, Larsen removed several papers from his manila envelope. Agents were unable to determine whether there was an actual exchange of papers on this occasion.

A short time later, Larsen left carrying a Manila envelope and returned to the State Department.

Philip Jaffe and a person who was later identified as being John Stuart Service, were observed to leave the Statler Hotel at 6:50 p. m. on that evening.

At that time, Service carried a small dark brown zipper bag. Jaffe carried nothing. They took a cab to the home of Andrew Roth where they attended a party.

At 11:50 p. m., that evening, Jaffe and Service left the Roth's home and, at that time, Jaffe was observed to be carrying a Manila envelope.

That, you will notice, is the first time John Stuart Service came into the investigation.

John Stuart Service was born in Cheng-Tu, China, August 3, 1909, of American parents.

He received his B. A. degree from Oberlin College, Ohio, in 1931. Since June 23, 1933, he has been employed by the State Department. Service is married to Caroline Schulz, and has two children. He has served the State Department in varying capacities from clerk to the position of second secretary at Chungking, China.

On December 30, 1942, he was temporarily detailed to the Office of War Information, and on January 26, 1943, was assigned to the Department of State with duties here in Washington.

On July 14, 1943, he was named consul at Kunming, China.

On October 10, 1943, he was placed on detached service, assigned to General Stillwell's staff.

On November 1, 1944, he returned to the United States for a short period of time, and in January 1945 returned to China.

Shortly thereafter, he accompanied the Army Intelligence Unit to the Yenan area occupied by the Chinese Communist Army, and then returned to the United States on April 12, 1945.

On April 19, 1945, he was observed to meet Philip Jaffe in the Statler Hotel at 6:50 p. m.

It will be recalled that following Gen. Patrick J. Hurley's return to the United States, after having served as United States Ambassador to China, he criticized Service's theories, and considered his political reporting as being biased. He pointed out that Service had shown himself to be liberally disposed toward Communists, and also, on occasion, to be most unfriendly to the National Government of the Generalissimo Chiang Kai-shek.

Following the failure of the grand jury to indict Service, he was restored to duty in the State Department, and so far as is known, he is attached to General MacArthur's staff in Tokyo, serving as a political adviser.

He was being considered as consul general for the United States in the Philippines.

Referring to the party in Roth's apartment, that was attended by Service, Service was questioned relative to this party following his apprehension.

He stated Roth had telephoned him at his office advising that Jaffee would be at his home that evening and would appreciate having Service present for dinner.

According to Service, Roth further advised him that on that occasion, Jaffe was anxious to meet him and that he, Roth, would appreciate it if Service would call Jaffe at the Statler Hotel.

Service stated that he did so and made an arrangement with Jaffe to meet him at the hotel, and the two of them would proceed to the Roth's house for dinner.

Service further advised he knew the reason for Jaffe's interest in meeting him, and that it was to learn of the situation in Communist Yenan and China from which Service had just returned.

Service went on to state that since he, Service, believed that Jaffe would ask him details on the policy of the Chinese Communists, he took with him a report he had prepared for the State Department on a long conversation with Mao Tes-tung, the chairman of the central committee of the Chinese Communist Party.

This report covered a conversation held on or about March 31, 1945, in which Mao informed Service, in great detail, of the policies Mao expected the Communist congress would adopt. He stated that upon arrival at the hotel, Jaffe did ask him about the current Chinese policies, and that he let Jaffe read his report. He said Jaffe was extremely interested in it. He inquired as to whether he had other reports on Yenan which he could see. According to Service, after some hesitation, he agreed to show Jaffe other reports of his on the following day.

On April 20, 1945, Service was observed to enter the Statler Hotel carrying a brown brief case. On that occasion, he remained in Jaffe's room all morning. At the time of his departure, he was accompanied by Andrew Roth. When questioned concerning this visit, Roth acknowledged that Service was present. However, he stated their meeting consisted of discussions of far-eastern affairs.

Service, however, advised that he had taken to the hotel copies from his personal files of the reports he had prepared for the State Department while at Yenan which Jaffe had previously asked to see.

He furnished these reports to Jaffe, and Jaffe stated he did not have time to read them prior to returning to New York, as he was leaving Washington that afternoon. He requested Service's permission to take them to New York with the understanding he would return the reports to Service when Service was in New York the following week end.

Andrew Roth returned to the Statler Hotel later that same afternoon. He remained in Jaffe's room for approximately 1 hour.

After Roth's departure, Larsen was observed to enter the hotel where he met his wife and Philip Jaffe. The Larsens had dinner with Jaffe at the Cafe Cathay in company with Lt. Comdr. Charles Nelson Spinx and Dr. Joseph Goldstein.

After dinner Goldstein drove Jaffe to the Union Station where he boarded a train for New York City.

On April 21, 1945, Mark Gayn and his wife, Sally, were observed to enter the offices of Amerasia, and Gayn was carrying a tan brief case which appeared to be about half full.

He emerged from the offices of Amerasia approximately one-half hour later, and with his wife boarded a bus.

Shortly after, Gayn opened his brief case and extracted two carbon copies of a typed document. Gayn handed one to his wife, and a surveilling agent was able to observe the document bore in the upper right-hand corner "Chungking" and a date which appeared to be July 11, 1944.

Shortly thereafter, the Gayns left the bus and boarded a trolley car, at which time they again began to examine the documents. The surveilling agent was successful in verifying the original observation and also de-

termined that it bore the heading "The Honorable Secretary of State, Washington, D. C.," and that it began with the sentence "I wish to refer to No. 1183." That is the manner, incidentally, in which the State Department refers to previous dispatches that have been exchanged between the various embassies, consulates, and the State Department here at Washington, D. C.

Because of the weakness of the type, a clear view of the wording was not possible. On a later page, however, the agent was able to observe a list of six or seven names which was entitled "Bankers."

On this list were the names Soong and Mme. Chiang.

Before leaving the trolley, Gayn replaced both documents in his brief case.

Following the apprehension of Jaffe on June 6, 1945, a search of the offices of Amerasia disclosed a typed copy of the State Department document, as well as two carbons which were recognized by the agent as being the one he had observed in the possession of Gayn that night on the trolley car and on the bus. The documents dealt with the domestic difficulties of Generalissimo Chiang Kai-shek. It consisted of a dispatch from the American Embassy in Chungking marked "Secret, not for distribution."

The reference of this document consisted of relations between Generalissimo and Mme. Chiang Kai-shek.

Following his apprehension, Mark Gayn declined to make any comment concerning that paper.

On April 24, 1945, John Service visited New York and stayed at the apartment of Mark Gayn. That evening, a number of guests visited the Gayns, among whom were Jaffe and Kate Mitchell.

The following day Service visited Jaffe at the offices of Amerasia, at which time, according to Service's subsequent statement, he recovered the copies of the reports he had furnished Jaffe in Washington on April 20.

On May 7, 1945, Jaffe again proceeded to Washington, where he was met in the Statler Hotel by Roth and Larsen.

At that time Larsen and Roth were both carrying manila envelopes. However, when they left the hotel neither was carrying the envelopes they had taken to the hotel with them.

On May 8, 1945, Jaffe met Service for breakfast. After breakfast Jaffe accompanied Service to the State Department, where he remained for approximately 30 minutes.

Following his apprehension, Service stated Jaffe was particularly interested in the speech made by Mao Tse-tung, of Communist Party.

Jaffe had asked Service for a copy of this speech, and later accompanied Service to the State Department, where Service ascertained, from a superior, there was no objection to releasing material, so he obtained a copy and gave it to Jaffe on that occasion.

At noon on May 8, 1945, Roth was observed to visit Jaffe at the Statler Hotel. When he entered he was carrying a large manila envelope. He remained for approximately 2 hours. Later that afternoon Larsen met with Jaffe in the lobby of the hotel, and after a very brief conversation Larsen departed and Jaffe was immediately joined by Roth and his wife, John Service, and Rose Yarduman. She is connected with the Institute of Pacific Relations in the Grange Building here in Washington, D. C.

Service spoke to Jaffe briefly and left immediately thereafter. The Roths, Jaffe, and Rose Yarduman and Alvin Barber, an employee of the Federal Economic Administration, had dinner together that evening, at which time Jaffe returned to New York City.

Service, in commenting upon his second meeting with Jaffe that day, stated he had obtained a revised copy of the Mao Tse-tung speech, so he delivered it to Jaffe at the hotel that evening.

On May 28, 1945, Jaffe again visited Washington and was met at the Statler by Roth and Larsen. Larsen was again carrying a large manila envelope. Roth carried a parcel 12 by 14 inches and 1 inch thick, as well as some loose typewritten papers. After lunch Larsen accompanied Jaffe to his room. Roth left and proceeded to his residence in Arlington. Larsen left in approximately 2 hours, at which time he was also carrying a manila envelope, which was, apparently, the same envelope he took into the hotel with him on that same occasion.

That evening, after dinner, Jaffe visited Larsen at his home, where he remained until after midnight.

On May 29 Jaffe was again visited at his hotel by Lieutenant Roth. When Roth entered the hotel he was carrying a brown leather brief case. He was later joined by Mrs. Roth for lunch. At the time Roth left the hotel he was carrying the same brief case. However, it appeared somewhat thinner than at the time he entered.

Mrs. Roth was carrying a large brown envelope. Larsen also visited Jaffe. He, too, was carrying a large manila envelope during the visit.

That evening Roth again met with Jaffe and was again carrying a large manila envelope.

Shortly after meeting Jaffe, Roth, Jaffe, and John Service left the hotel and drove to the residence of Ellen Atchinson, in Arlington, Va., where they spent the evening.

Mr. SPRINGER. Who is she?

Mr. GURNEA. I also have a brief biography of her.

Mrs. Ellen Atchinson was last known to be employed by G-2, United States War Department. Mrs. Atchinson was born July 8, 1915, in the Netherlands Indies. She is a naturalized United States citizen. She resides at 3447 South Wakefield Street in Arlington. Her husband is in the United States Army. She is a friend of Roth, and together with Rose Yarduman of the Institute of Pacific Relations, had a farewell party at the time that Roth left.

Mrs. Atchinson is also well known to this entire group that we investigated during the general investigation.

On the morning of May 30, 1945, Larsen visited Jaffe at the hotel and that night Jaffe visited Larsen at his home. Mr. and Mrs. Roth were also present at Larsen's, but left and visited Loretta April. She is employed by the Library of Congress, I understand. The Larsens, Mr. and Mrs. John Thomas Fine, and Jaffe had dinner at the Chinese Lantern cafe, and thereafter, Jaffe returned to New York. Fine is a civilian employee of the Office of Naval Intelligence. He is also an expert on far eastern affairs.

After returning to New York, Jaffe first went to his apartment and then to Gayn's apartment, where he remained from 1:30 until approximately 3:40 a. m.

On June 6, 1945, Philip Jaffe and Kate Mitchell were apprehended at the offices of Amerasia in New York City.

Mark Gayn was apprehended in his apartment in New York City.

In Washington, John Service, Emmanuel Sigurd Larsen and Andrew Roth were also apprehended. The apprehensions were based upon the complaint charging the subjects with violation of section 88. That is the conspiracy section, title 18, United States Code, in that they conspired to violate section 31, subsections (d) and (c) of title 50, United States Code. That is the espionage statute.

At the time of Jaffe's and Mitchell's apprehensions, a search of the offices of Amerasia disclosed a large number of documents which, obviously, emanated from Government sources. Among them were found original documents bearing the receiving stamps of the State and Navy Departments as well as photostats and typed copies.

An examination of Mark Gayn's premises also disclosed a number of documents, the majority of which, apparently, emanated from the Office of War Information. No documents of importance were found in the possession of Andrew Roth or John Service at the time of their apprehension.

Numerous documents were found in the residence of Emmanuel Larsen. These consisted of originals and photostated and typed copies. The majority of those found in Larsen's apartment emanated from the State and Navy Departments.

Philip Jaffe declined to furnish any information concerning the exact origin of these documents, or, specifically, how he came into possession of them although he admitted reading a number of them and using portions of them in articles written for magazines.

He stated he had observed the classification markings as secret and confidential, but the only statement he would make regarding their source was that he desired to discuss the matter with his attorney.

He admited acquaintanceship with all of the other subjects of the case and stated, "I received information from many sources."

He did not identify any of the individuals to whom he referred. We asked whether he had ever paid for such information. He stated that he may have purchased someone a dinner.

Kate Mitchell acknowledged reading a large number of the documents found in the offices of Amerasia and using portions of them for background in her writings. She stated she knew the source of some of them which apparently emanated from the State and Navy Departments for the most part, but declined to name any individual. specifically, although in at least three instances she stated she believed the documents came from Emmanuel Larsen.

Mark Gayn also declined to comment upon the source of the documents found in his possession. John Service furnished a signed statement in which he admitted giving Jaffe carbon copies of a number of reports he had prepared during the period of time he was employed by the State Department.

These reports dealt, specifically, with the activities of the Chinese Communists in and around Yenan.

Andrew Roth acknowledged acquaintanceship with the other subjects. He insisted that each time he had been observed carrying envelopes, the material contained therein was portions of a book he was writing, and that book that he refers to, incidentally, has since been published. It is entitled "Dilemma in Japan."

I believe Larsen furnished the most complete story in that he admitted furnishing Jaffe with documents and receiving the sum of approximately $75 per month from Jaffe. He further stated he was introduced to Jaffe by Roth and had received indications from Jaffe that Jaffe had received previous information relative to statements and reports prepared by John Service.

A laboratory examination of the evidence disclosed fingerprints of Mark Gayn on a number of the documents found in the possession of Jaffe; one such document contained latent fingerprints of Gayn, Jaffe, and Larsen.

Handwriting examinations disclosed numerous specimens of Larsen's handwriting on the documents obtained from Jaffe as well as three handwritten documents that were prepared, entirely, in Roth's handwriting as it was identified later in our laboratory.

Typewritten examinations made at the Federal Bureau of Investigation's laboratories disclosed a number of the documents found in the possession of Jaffe were typed by Annette Bloomenthal who we interviewed. She stated she typed a number of documents for Jaffe on a page basis. He was paying her 30 cents a page for the typing she was

doing. She advised us that Jaffe paid her 30 cents for each page. Jaffe had cautioned her, when delivering the material to her for typing, that it was confidential material, and that she was to be very careful in the manner in which she handled it.

Mrs. Bloomenthal was successful in identifying more than 20 documents found in Jaffe's office which were typed copies prepared by her of various Government reports.

Typewriting examinations further disclosed that some of the documents in Gayn's possession were typed by Mrs. Bloomenthal, and that some were typed on typewriters maintained in the offices of Amerasia.

Some of the documents were typed on Mark Gayn's typewriter. A typewriting examination also disclosed one document was typed on Andrew Roth's typewriter, and three on a typewriter located in the State Department.

That, gentlemen, is a summary of the entire investigation.

Mr. LADD. We brought up a complete summary report which has the same information in greater detail for you, and copies of all of the photostatic copies of all of the documents that we recovered. They are broken down in envelopes or in boxes depending upon the volume of them, and as to the offices from which they were obtained.

The CHAIRMAN. What have you to say about the criminal prosecution and their determination?

Mr. GURNEA. I can give you a summary of all the prosecution action taken in the case.

During a discussion of the case with Gen. Julius Holmes, who was, at that time, Assistant Secretary of State, and Major Correa, of the Navy Department, they both indicated that prosecution of these subjects was desired.

General Holmes was particularly desirous of a prosecution as he felt that such action would serve as a deterrent toward other individuals who may have been, at that time, surreptitiously removing Government documents from the State Department as well as other agencies.

That matter was then called to the attention of the Attorney General, and on May 29, 1945, Mr. James McIlerny of the Department, discussed the case with representatives of the Bureau. After he was informed of the details of the case, he was of the opinion that Philip Jaffe, Kate Mitchell, Mark Gayn, Emmanuel Larsen, Lieutenant Roth, and John Service should be taken into custody and subsequently prosecuted.

You may wonder why Anette Bloomenthal was not included in that list.

We interviewed Anette Bloomenthal after the apprehension of the other subjects. She was most cooperative. She is married to a man who is employed in a rather menial position with Decca Records in New York City. She was willing to testify. It did not appear she was included in the conspiracy other than the fact she was doing typing work for Jaffe on a page basis. She was considered as being more valuable as a Government witness rather than as a subject in the case.

That same day, Mr. McIlnerny advised he had discussed the facts of the case with Mr. McGranery, and that Mr. McGranery expected to discuss the case with the President.

On May 30, 1945, Mr. McIlnerny again discussed the facts of the case with representatives of our Bureau, at which time he stated he believed the prosecution of these individuals should be for conspiracy to violate section 31, title 50, United States Code.

He further indicated a bond of $10,000 each should be asked.

On May 31, 1945, the Department of Justice advised the Bureau that any prosecution in connection with this matter was to be held in abeyance until the conclusion of the San Francisco Conference.

I understand that some of the men who were connected with the San Francisco Conference—Mr. McGranery may be able to give you more detailed information than I—but they were of the opinion that a prosecution of this case, at that particular time, might cause friction at the San Francisco Conference, and it was felt it should be postponed until a later date.

The Attorney General was advised of that fact. For that reason, there was no further action taken on the case until further word was received.

However, on June 2, 1945, General Holmes, of the State Department, contacted the President, personally, relative to the case, and advised him, at that time, that it was being held in abeyance.

The President called the Bureau and stated he wanted action taken on the case as quickly as possible, and wanted it to be vigorously followed, and in the event we received instructions from anyone that the case was to be held in abeyance, we were to contact him personally and let him know what instructions had been issued.

On June 4, 1945, complaints prepared by the Department of Justice were filed before Federal Judge Henry H. Schweinhaut, of the District of Columbia, charging the six individuals with violations of section 88, title 18, United States Code, in that they had conspired to violate section 31, subsections (c) and (d) of title 50.

On the afternoon of June 6, 1945, all of the individuals were taken into custody by Bureau agents.

Philip Jaffe and Kate Mitchell were arrested in the offices of Amerasia.

Mark Gayn was apprehended at his home in New York City.

Lieutenant Roth was apprehended on the street in Washington.

John Service was arrested at his apartment at Eighteenth Street NW., and Emmanuel Larsen at his apartment on Harvard Street.

The three individuals arraigned in New York were released on $10,000 bond each. Their attorneys requested that the commissioner's hearing be postponed for 2 weeks. Lieutenant Roth was taken before United States Commissioner Needham Turnage at 1:35 a. m. on the morning of June 7. He entered a plea of not guilty, and a bond of $10,000 was set.

Roth was remanded to the custody of the United States marshal in default of bond.

John Stuart Service was arraigned shortly thereafter, and on a plea of not guilty was remanded to the marshal. Emmanuel Larsen was remanded to the custody of the marshal. A grand jury authority was filed on June 12, 1945, requesting permission for attorneys of the Department of Justice to present this case to a Federal grand jury in the District of Columbia.

On June 14, 1945, at the request of the Department of Justice, the commissioner postponed the hearing date until June 27.

Mr. Robert Hitchcock, assistant United States attorney from Buffalo, N. Y., was appointed to serve as a special assistant for the prosecution of this case. Arraignments were made available so the facts of the case could be presented to the grand jury in Washington, D. C.

The presentation of facts was begun on June 22.

The facts were presented to the grand jury upon the grounds of conspiracy having existed to violate sections 100, 101 of title 18; that is the embezzlement section, and the section that covers the receipt of embezzled Government property.

The grand jury was expected to make a return before July 2, 1945.

However, the matter was permitted to rest with the grand jury. No indictments were returned inasmuch as the attorneys of some of the departments were requested that their clients be given an opportunity to appear before the grand jury. Mr. McGranery can give you much more information on that than I. Arrangements were subsequently made by the Department to postpone all hearings, both in New York and in Washington, until such time as this case was represented and an indictment returned. The facts were re-presented to a grand jury beginning July 30, 1945. This presentation continued throughout that week, and concluded on the afternoon of August 8.

On August 10, 1945, a return was made by the grand jury of true bills against Philip Jaffe, Emmanuel Larsen, and Andrew Roth in that they violated section 88, title 18, by conspiring to embezzle and purloin documents which were the property of the United States Government, and to receive such embezzled and purloined documents in violation of sections 100, 101, and 234 and 235 of the United States Code; sections 234 and 235 cover the mutilation and removing of such documents and the destruction of them.

No bills were returned for John Service, Kate Mitchell, and Mark Gayn. All three of these testified for the grand jury.

Arraignments were tentatively set for the latter part of August, and the commissioner's complaints against Mitchell, Service, and Gayn were dismissed at the request of the Department. On August 30, 1945, arraignments of Jaffe, Larsen, and Roth were held before Judge Henry Schweinhaut in the Federal court, Washington, D. C. All entered pleas of not guilty and requested leave of the court for a period of 30 days within which they would be permitted to withdraw their pleas and file such motions as they might wish.

A bond for each of these individuals was reduced from $10,000 to $2,500.

On September 27, 1945, the defendant Andrew Roth filed a demurrer to the indictment and a request for a bill of particulars.

On September 28, 1945, a motion to quash the demurrer and a motion to suppress the evidence was field by Emmanuel Larsen's attorney.

Philip Jaffe, through his attorney, indicated to the Department he desired to change his plea and enter a plea of guilty. This was done with the understanding the Department attorneys would suggest that Jaffe receive a fine not greater than $5,000 and no jail sentence.

On October 2, 1945, Philip Jaffe appeared in the court and entered a plea of guilty to the indictment, at which time a fine of $2,500 was imposed and paid immediately.

Hearings upon the pleadings entered by the attorneys for Roth and Jaffe were scheduled to be held October 23, 1945.

These, however, were postponed at the request of the Department.

On November 2, 1945, Emmanuel Larsen entered a plea of nolo contendere. At that time, Larsen was fined $500, which he paid.

On January 18, 1946, a hearing was held in the District Court of the District of Columbia before Judge Proctor on the motion for a bill of particulars filed by the attorney for the remaining defendants in the conspiracy, Andrew Roth.

On that date, the Criminal Division of the Department of Justice was given a period of 30 days to file a bill of particulars in connection with the case against Roth.

On February 13, 1946, the Department entered a nolle prosequi in the case against Roth.

In the way of explanation, with reference to the motion to quash, the demurer, and the motion to suppress the evidence in connection with Emmanuel Larsen, I do not know whether you have been advised or not, but prior to the time that Larsen was apprehended, agents of the Bureau investigating the case went out and contacted Larsen's landlord. At that time, they obtained the keys from the landlord, and that was the extent of the landlord's knowledge. The landlord allegedly adivsed Larsen that he had personally seen agents go into the apart-

ment which was not true. I think it is sufficient to say that there were no documents, whatsoever, removed from Larsen's apartment, at any time, other than at the time of Larsen's apprehension. It was incidental to the arrest.

There was not a situation where anything came out except at the time when he was actually apprehended. That was the reason for the motion to suppress filed by Larsen's attorney.

Mr. HITCHCOCK. Why did they drop the case against Roth?

Mr. MCGRANERY. I think he has already given you the answer to that.

The Office of Strategic Service gave up all these documents they have here. They were all obtained through the burglarizing of the place. The agents had been in Larsen's place without his knowledge. Whether the agents were seen going in or not, suffice to say, the landlord said to Larsen, when Larsen caught him off base, he asked him how many times those fellows had been going in, he told him at least two or three. Was not that it?

Mr. GURNEA. He did not specify any number.

Mr. MCGRANERY. He said two or three times. That is how he got him off base. He said how many times did those fellows go into my apartment. He asked him whether he let them in, or whether they broke in. He stated, as set out in the affidavit, the affidavit states the landlord actually let the agents into the apartment which is not true, of course.

Mr. MCGRANERY. We were in that position where we had to defend that. It was not whether or not we did.

Mr. HANCOCK. Does Roth still have a commission in the Navy?

Mr. GURNEA. No. He was placed on inactive duty immediately following his apprehension. His status, the last I have heard, is that he is still on inactive duty.

The CHAIRMAN. Clarence's question related to Roth and not Larsen. There was no suggestion that Roth's papers had been rifled.

Mr. MCGRANERY. No, but they were all the same. They weighed it out pretty carefully. They had a pretty unanimous opinion as to dropping in on Roth. We will bring back here, for you, Hitchcock, who handled the matter, he and Mr. McIlnerney.

The CHAIRMAN. He has been over here.

Mr. MCGRANERY. If there is anything that arises as a result of this hearing today or even in the future, we will give you these fellows right away.

Mr. FELLOWS. Was the bond reduction from $10,000 to $2,500 at the suggestion of or agreed to by the Department?

Mr. MCGRANERY. I do not know that. I do not, know.

Mr. GURNEA. I do not know, but I am of the impression that that was at the suggestion of the attorneys for the defense and agreed to by the court.

Mr. FELLOWS. The conspiracy charge, I have not checked those statutes. One had to do with mutilation?

Mr. GURNEA. That is true.

Mr. FELLOWS. And the other was purloining, embezzling, taking them out and so forth?

Mr. GURNEA. I have copies of the statutes here. They are very brief.

Mr. FELLOWS. I would like to check those statutes just for my own information.

Mr. GURNEA. Section 100 or title 18, "Embezzling public moneys or other property. Whoever shall embezzle, steal, or purloin any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both."

Section 101 of title 18, "Receiving stolen public property. Whoever shall receive, conceal, or aid in concealing, or shall have or retain in his possession with intent to convert to his own use or gain, any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, which has theretofore been embezzled, stolen, or purloined by any other person, knowing the same to have been so embezzled, stolen, or purloined, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both; and such person may be tried either before or after the conviction of the principal offender."

Section 234 of title 18, "Destroying public records. Whoever shall wilfully and unlawfully conceal, remove, mutilate, obliterate, or destroy, or attempt to conceal, remove, mutilate, obliterate, or destroy, or, with intent to conceal, remove, mutilate, obliterate, destroy, or steal shall take and carry away any record proceeding, map, book, paper, document, or other thing, filed or deposited with any clerk or officer of any court of the United States, or in any public office, or with any judicial or public officer of the United States, shall be fined not more than $2,000 or imprisoned not more than 3 years, or both."

Section 235 of title 18, "Destroying records by officer in charge. Whoever, having the custody of any record, proceeding, map, book, document, paper, or other thing specified in section 234 of this title, shall willfully and unlawfully conceal, remove, mutilate, obliterate, falsify, or destroy any such record, proceeding, map, book, document, paper, or thing shall be fined not more than $2,000 or imprisoned not more than 3 years, or both; and shall moreover forfeit his office and be forever afterward disqualified from holding any office under the Government of the United States."

Mr. FELLOWS. Those charges were conspiracy to do those things?

Mr. GURNEA. That is true.

Mr. FELLOWS. An overt act, of course, is necessary.

Mr. GURNEA. The overt acts, as filed by the Department, and correct me if I am wrong, were listed as the various meetings and contacts between the subjects in Washington, D. C., placing this case within the jurisdiction of these courts.

Mr. HANCOCK. Were any of these papers found in the possession of Roth?

Mr. GURNEA. Roth at the time of his apprehension was preparing to go to Honolulu on transfer. He had already given up his apartment. His wife had gone to New York, where she was staying with her parents, and Roth was waiting orders to proceed.

He did not know at that time that the orders to proceed were being held up in view of this case. He was practically on the street with his clothing and suitcase.

Mr. HANCOCK. Did you not say fingerprints were found on some of these documents?

Mr. GURNEA. In Jaffe's possession. Some were in his handwriting. There were three documents in his own handwriting.

Mr. CHELF. Of Service?

Mr. GURNEA. Yes.

Mr. FELLOWS. It is not particularly important that the document should be a valuable document in a sense that it has to do with defense or anything of that sort. It is just a document. That is a point.

Mr. MCGRANERY. The taking of it.

Mr. FELLOWS. Or concealing it, or mutilating it. Falsifying is another word that is used.

Mr. CHELF. It did not have the word "change" or "author."

Mr. GURNEA. Mutilate; that covered it.

Mr. HANCOCK. We were told an adverse report was made on Roth when he applied for his commission. Have you information about that? He was commissioned in spite of a bad report from some source, probably the Office of Naval Intelligence.

Mr. LADD. That would probably have come from the Office of Naval Intelligence at the time he was up for a commission.

Mr. HANCOCK. Who told us that? Larson?

Mr. SPRINGER. I believe it was.

Mr. GURNEA. No doubt. They probably knew that Roth had previously been associated with the Institute of Pacific Relations and Jaffe, publisher of Amerasia.

Mr. HANCOCK. Is this Institute of Pacific Relations one listed as a Communist organization?

Mr. GURNEA. I am not entirely familiar with it. I understand the membership consists of both, of men who are patriotically inclined and wish to bring about a more thorough understanding of the Far East and the Pacific; also there are others in there who are subversive, and who are known contacts of various subversive elements. I do not think it would be safe to blanket the entire membership of the Institute of Pacific Relations and indicate that they are radically inclined.

Mr. HANCOCK. There are a great many naive people who permit themselves to be deceived by high-sounding titles, and they are sucked into subversive groups without knowing what they are doing.

Mr. MCGRANERY. You will find that throughout the Civil Liberties set-up. Some of the highest type lawyers we have in the country are in support of it.

Mr. FELLOWS. Some of those documents, at least one of them, you found in Jaffe's office, as an incident to his arrest, had fingerprints of Roth on them?

Mr. GURNEA. I was afraid you might have that impression. However, let me correct it. They were not fingerprints of Roth. They contained latent fingerprints of Gayn, Jaffe, and Larsen. The handwriting examination disclosed numerous specimens of Larsen's handwriting on the documents and three of the reports, three of the documents were in Roth's handwriting, one of them, I recall, was a copy of a document in Roth's handwriting prepared on stationery of the Statler Hotel.

Mr. HANCOCK. Were those documents copies of official reports?

Mr. GURNEA. Found in Amerasia. Many were copies.

Mr. HANCOCK. I mean the ones written by Roth, were they copies of State Department or Navy Department documents?

Mr. GURNEA. That is true.

Mr. HANCOCK. Apparently so, you do not verify it?

Mr. GURNEA. I can by checking back on the evidence here and locating them in the exhibits and then following back through on the laboratory sheets.

Mr. FEIGHAN. If you make a copy in your own handwriting, is not that tantamount to actually taking the original?

Mr. GURNEA. That is a legal technicality that probably Mr. McGranery can help you on.

Mr. MCGRANERY. I cannot answer that.

Mr. FELLOWS. The point was the information.

Mr. MCGRANERY. You had this other fellow. Do not lose sight of this. Get your grand jury testimony and find out just what this bird said. He had the authority to revalue these papers. He testified before the grand jury. He let the air out of this thing very badly, very badly.

It is not in my recollection, at the moment, what particular papers he did testify to.

Mr. GURNEA. I believe Mr. Hitchcock, at that time, was of the opinion that there was a difference, a definite difference between information and the actual documents.

Mr. MCGRANERY. I am convinced of that. For me to sit down and write something on a piece of paper and give it to you——

Mr. FELLOWS. But definitely, in the arrest of Larsen, you had some material he had

purloined or taken from the State Department which would come within the terms of this statute without any question, not the suppressed type, but the type that was legally taken as an incident of his arrest; those are papers which would come within the purview of the statute clearly.

In the case of Jaffe, the papers that were taken as an incident to his arrest were not subject to any motion to suppress. They were taken legally.

Mr. MCGRANERY. There might be some question about that. In the first instance, we did not get the stuff, but the Office of Strategic Services did take it surreptitiously.

Was that evidence over there contaminating? I do not know. I am not so sure about that.

Mr. SPRINGER. That raises a question.

Mr. MCGRANERY. I am not so sure about that.

The CHAIRMAN. I think the most horrible thing about this case so far as we have gone is the fact that employees of our various departments were running with this herd of cattle, and that they were evidently giving them aid. I do not think it makes any particular difference what was taken or what was not taken. It is a fact now that something which was esteemed as secret or confidential, even in the lower grades, was taken. That is important.

Mr. FELLOWS. And the indication that anything either was taken or could have been taken is vitally important. There was nothing to prevent it.

Mr. LADD. The question was asked about those documents that were found in Jaffe's apartment or office, rather, one of them which was identified as being in the handwriting of Roth. That was a document prepared in the State Department entitled "New Dehli." It was dated February 4, 1944. It was addressed to the Secretary of State and signed by Merrell. It sets forth a resolution passed by Modress that all members of the Indian Legislature should meet in an all-Indian convention to consider present political situations and devise ways and means for unsolving deadlocks.

The original of that document was subsequently located in the State Department. It was stamped "Division of Mid-Eastern Affairs," 2844, Division of Political Studies. It was filed March 11, 1944.

Another one of the documents which was identified in the handwriting of Andrew Roth, and which was found in Jaffe's office, was a letter to the Secretary of State dated March 14, 1944. The letter commented on the recent action of the Central Legislative Assembly in India as showing a lack of confidence in the present Government of India. It was from Merrell.

Mr. HANCOCK. Do you know who he is?

Mr. GURNEA. A State Department employee in New Dehli.

Mr. LADD. The second document was a letter to the Secretary of State dated January 21, 1944, giving a summary of political comments that had occurred in the Indian press for the week ending January 15, 1944. That is likewise signed "Merrell."

The other document found in Amerasia, which was in the handwriting and which was subsequently identified as Andred Roth's handwriting, was a document dated August 11, 1944. The subject was the Socialist Congress reaction to Mr. Ghandi's recent political moves. The document in substance is the substance of a conversation which took place with Mr. Minorr Masani, leader of the Congress of Socialist Elements in Bombay with reference to Ghandi's conciliary progress in re the Government of India and the Moslem League.

The original of that document was later located. It was filed in the State Department files.

The CHAIRMAN. You say they were taken from Amerasia?

Mr. LADD. That is right.

The CHAIRMAN. Were they taken by the operatives of the Federal Bureau of Investigation?

Mr. LADD. These were taken by the Federal Bureau of Investigation agents, at the time and incident to the arrest.

Mr. FELLOWS. All of those documents that you took as an incident to the arrest you have a list of those?

Mr. LADD. And those are all the documents that we brought to you. The Federal Bureau of Investigation secured no documents through any means during the course of this investigation except incident to the arrest. They were all legally obtained. The only documents that we have and which we have brought up also for you which were illegally obtained were those that were obtained surrepetitiously by the Office of Strategic Services and turned over to us. That resulted in our investigation.

Mr. FELLOWS. What was Roth's connection with the Government at the time these letters were written?

Mr. GURNEA. He was a lieutenant in the Office of Naval Intelligence.

Mr. HANCOCK. He was doing liaison work between the Navy Department and State Department?

Mr. GURNEA. He did that in connection with other duties. However, he was regularly assigned to the Japanese Fleet desk. As I understand it, among his other duties, he was charged with the duty of preparing and assimilating summaries on the Japanese Fleet.

Mr. FELLOWS. One of these was written on Statler stationery. The chances are that he had the document at the Statler Hotel when he wrote that. He would not use that stationery in the State Department or over at Naval Intelligence. He had the document with him at the Statler.

The CHAIRMAN. Certainly.

Mr. FELLOWS. He was not in the State Department, as such. He was connected with the two departments in a liaison capacity?

Mr. GURNEA. That is possible. Or, as indicated in the summary of the investigation, you will recall that he met Jaffe in the Statler Hotel in company with the other subjects of the case, so it is possible that one of the other subjects brought the document.

Mr. FELLOWS. Perhaps it is a wide difference, but the fact he wrote it on that paper indicates he wrote it there. He was copying it? Is that document he copied in the files of the State Department now?

Mr. GURNEA. That is correct.

Mr. HANCOCK. It was taken out, copied, and returned.

Mr. FELLOWS. Yes.

Mr. HANCOCK. Did you check the precautions taken by the State Department and Navy Department against this sort of thing we are hearing about?

Mr. GURNEA. Yes. They have a rather complicated system. They have their rules and regulations. I am sure that the State Department would be glad to make one of their security officers available to you. You could go into that in detail with them.

Mr. FEIGHAN. You made no observation with reference to the operation of the rules and regulations?

Mr. GURNEA. Not during the investigation; no.

Mr. HANCOCK. It is perfectly evident there was great laxity there if all these documents could be taken.

Mr. CHELF. Larsen said he did not have a bit of trouble.

Mr. MCGRANERY. Larsen was gold-badge man. It permitted him to take out anything he wanted to.

Mr. CHELF. If you were the holder of a diamond badge in the War Department, you would not be permitted to do such a thing.

Mr. LADD. I would like to explain what we have brought here. One volume is the summary which goes into the security question. We set this forth so that we would have the information available for introduction in evidence in the event it was called for with the names of the individuals who can furnish information in those respective departments concerning their security regulations.

The CHAIRMAN. We are much obliged to you gentlemen. We would like you gentlemen to be here on Monday. We are going to have a public hearing in the committee room. I wish to thank you again for your cooperation.

(Thereupon, the hearing was concluded.)

MONDAY, JUNE 3, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE
ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to call, at 10:30 o'clock a. m.

Mr. HOBBS. Mr. Thomas is here to represent the Security Office of the State Department. Since a good many of the occurrences were in that Department, we will hear from him first.

You may be seated or you may stand, as you please.

Mr. Thomas, the committee understands that you are the representative of the Security Office of the State Department, and that you can give us information as to precautions that were taken in the State Department as to the safeguarding of its official documents and records. If that be true, we would appreciate it if you would tell us the system that obtained in the security office, that office being the one which is charged with that responsibility. Tell us how it functioned and how its functions, especially with reference to any surreptitious removal of records. Tell us the whole story.

Statement of Henry Thomas, Division of Controls, State Department

Mr. THOMAS. Mr. Chairman, we will begin with the past system first.

It has been my observation that from 1941 to 1944 the Security Office of the State Department did not control or issue building passes for State Department personnel. The pass system that was in use from 1941 to the latter part of 1944 was under the supervision of a Mr. Kenestrick of the Division of Departmental Administration. The passes issued by Mr. Kenestrick bear the signature of Mr. Yardley, who was then the Director of Personnel. Passes were issued under wartime restrictions and consisted of three types of picture passes.

Mr. HOBBS. Can you give us the names of those gentlemen for the record?

Mr. THOMAS. Yes. Mr. Millard Kenestrick.

The CHAIRMAN. What was his office?

Mr. THOMAS. It was the Departmental Administration, old division.

Mr. HOBBS. What was the other gentleman's name?

Mr. THOMAS. Mr. Edward Yardley, the former director of personnel.

Mr. HOBBS. Was there a Mr. Bannerman there?

Mr. THOMAS. No, sir. Our security office was only organized in 1945. This was prior to that time.

The CHAIRMAN. Go ahead. Excuse me.

Mr. THOMAS. Under the wartime restrictions, the three types of passes were as follows: The gold pass, the blue pass, and the red pass.

The gold pass was issued to an employee only upon the recommendation of the chief of his or her division, and entitled the bearer to enter any State Department building at any time and authorizes the holder to remove official papers.

The blue pass permitted an employee to enter the building in which employed at any time and enter other State Department buildings during regular office hours only,

and it did not authorize the removal of official papers.

The red pass permitted entry during regular office hours.

In 1945, there was a reorganization in the Department. The pass control was transferred from the Division of Departmental Administration to the Division of Central Services. That is supervised by Mr. William D. Wright. He is the chief of that division.

With the cessation of hostilities in 1945, the gold, blue, and red picture passes were discontinued. That was on December 1, 1945. Plain building passes were issued under the signature of W. D. Wright, Chief, Division of Central Services. These passes are numbered. A record is maintained in that division by Miss Anna Burroughs.

In April 1946, the Security Office was authorized to install and execute, for use in the confidential reproduction unit of the State Department, a pass system. The Security Office designed and controls the passes for this confidential unit and maintains rigid security standards in the handling of all classified materials in possession of this unit. The personnel in this unit are thoroughly investigated and must pass the Security Screening Committee. We have also made recommendations for passes and regulations pertaining to the Code Room. These recommendations have been received favorably and put into effect.

As you may know, the State Department has some 36 buildings and the security office has been authorized to be responsible for the physical security control of these buildings in cooperation with the Public Buildings Administration guards and the pass officer.

No passes are required to gain entrance during regular working hours, that is today, with the wartime restrictions released, except for the Code Room and the Confidential Reproduction Unit.

However, after 7 p. m., and on Saturdays, Sundays and holidays, a pass must be presented to the guard; also, one must sign the ledger indicating the name, time of entry and departure, designate the room visited in the building, also.

In addition, the Public Buildings Administration guard makes a regular check on the buildings, and reports to the securities officer any violations, regarding open safes or files.

In addition to that, he is instructed to telephone the representative of the Department, whose name is contained within the safe, and have him return to the Department and close the safe. Or, the officer may receive permisison from the official to close the safe in the presence of another officer.

The matter is then taken up by the security officer with the administrative officer of the division. The offender is reprimanded.

With reference to the regulations pertaining to material, there was an administrative instruction issued May or June, 1945, the State Department, regarding the removal of official material from the Department.

That reads: "No officer or employee of the Department of State shall take top-secret material from the Department except during the conduct of official business.

"Normally, secret material shall not be removed from the Department for purposes of working with it outside of office hours. However, in case of necessity an official may remove secret material from his office for such purpose if permission has been granted by the Secretary of State, the Under Secretary, and Assistant Secretary or the Legal Adviser. In such case, he shall submit a signed statement, at the time he removes the material, to his immediate superior giving a complete description of it."

With reference to confidential material, it says this: " 'Confidential' material may be removed from the Department outside of regular office hours only after express permission has been granted by the chief of the division or director or executive assistant of the office in which the material is located and a record has been placed in the files or left with the custodian of the material to show what has been removed."

Mr. FELLOWS. That was made in May 1945, after this material had been taken?

Mr. THOMAS. Yes, sir.

Mr. HANCOCK. Prior to that time, were men with gold passes permitted to remove "top secret" documents and "confidential documents" without the consent of some superior officer?

Mr. THOMAS. I believe, prior to that time, by obtaining permission from the chief of the division, yes.

Mr. HANCOCK. Is that a specific pass for permission to remove each article, or was that a blanket permission?

Mr. THOMAS. The gold pass permitted the physical removal.

Mr. HANCOCK. Yes.

Mr. THOMAS. He was supposed to give a definite description of the material removed to his chief.

Mr. HANCOCK. And he would have to get permission before he did that?

Mr. THOMAS. That is right, sir.

Mr. FELLOWS. If he did do that, what was the penalty? Reprimand?

Mr. CHELF. If he repeated, what did he get?

Mr. THOMAS. On the third offense, he was removed from the Department.

Mr. HANCOCK. Suppose he removed hundreds of them? Do you think a prosecution would be justified?

Mr. THOMAS. By all means.

Mr. HANCOCK. Would you recommend a severe punishment?

Mr. THOMAS. Yes, sir.

Mr. HANCOCK. When did the office administration assume the responsibilities of the security office for safeguarding documents? When was that?

Mr. THOMAS. I do not believe they have ever received that permission.

Mr. HANCOCK. I thought he said the security was responsible in 1941 through 1944.

Mr. THOMAS. That was for the issuance of the passes.

Mr. HANCOCK. But the Security Offices still remained responsible for the security of them?

Mr. THOMAS. Yes.

Mr. HANCOCK. And they are at this time?

Mr. THOMAS. Yes.

Mr. HANCOCK. You merely took over the job of issuing passes?

Mr. THOMAS. No, sir.

Mr. HANCOCK. What duties did you assume that you did not have before?

Mr. THOMAS. We have installed certain regulations and put them into effect that we can account for the "top secret" documents within the Department by a tally system and a receipt system whereby each document is recorded in a book. That is recorded by the issuing office. The tally is sent to the Division of Coordination and Review.

Mr. HANCOCK. When a man walks out with a large bundle of papers from an office in the State Department, does anybody stop to examine them?

Mr. THOMAS. No, sir.

Mr. HANCOCK. Is he examined today?

Mr. THOMAS. Not today.

Mr. HANCOCK. Was he during the war?

Mr. THOMAS. Yes.

Mr. HANCOCK. Whose job is that?

Mr. THOMAS. That would be the job of the Public Buildings Administration guard. If a man had a gold pass, he would be permitted to go through the door without questioning. If he had one of the other passes, he would have to account for the material he was taking out of the Department.

Mr. HANCOCK. I thought you said nobody could take out "top secret" papers of any kind.

Mr. THOMAS. No, sir. I believe I said with the permission of the Secretary you could. If that permission has been granted by the Secretary, the Under Secretary, the Assistant Secretary or Legal Adviser.

Mr. HANCOCK. For "top secret" documents?

Mr. THOMAS. That is "secret."

Mr. HANCOCK. You made a distinction?

Mr. THOMAS. Yes.

Mr. FELLOWS. There is a distinction?

Mr. THOMAS. Yes.

Mr. FELLOWS. State what they are.

Mr. FEIGHAN. May I interrupt?

Mr. SPRINGER. Let him answer that first.

Mr. THOMAS. "Top secret, certain secret material and information, the security aspect of which is paramount, and the unauthorized disclosure of which is paramount, and the unauthorized disclosure of which would cause exceptionally grave damage to the Nation, or embarrassment to the Government."

That would consist of "Information regarding or details of discussions or negotiations with foreign governments on questions of great jealousy, such as might be embodied in memoranda of conversations, tentative drafts of agreements, et cetera, premature disclosure of which might seriously prejudice the successful outcome of the negotiations.

"Details of conversation or, discussions upon United States officials of high responsibility, disclosure of which might cause serious political complications."

Mr. HANCOCK. Such as a report from a consul's office or diplomatic officer from China regarding the estimate of the strength of various Chinese leaders?

Mr. THOMAS. Yes.

Mr. HANCOCK. If that were published, it might cause considerable embarrassment?

Mr. THOMAS. Yes.

Mr. HANCOCK. That would be "top secret"?

Mr. THOMAS. Yes.

Mr. FELLOWS. What is a secret document?

Mr. THOMAS. "Secret, material and information, the unauthorized disclosure of which would endanger national security, cause injury to the interest or prestige of the Nation, or any Government activity thereof, or would be of advantage to a foreign nation."

Mr. FELLOWS. What is a confidential communication?

Mr. THOMAS. "Material and information, the unauthorized disclosure of which, while not endangering the national security, would be prejudicial to the interest or prestige of the Nation, a Government activity, an individual, or would cause administrative embarrassment, or difficulty, or be of advantage to a foreign nation."

Mr. FELLOWS. What is a restricted document?

Mr. THOMAS. "Material and information which does not fall into one of the above classifications but which, nevertheless, should not be published or communicated to anyone except for official purposes."

Mr. FELLOWS. What is a routine document?

Mr. THOMAS. That covers material not falling into one of the above classifications which is to be forwarded by diplomatic-pouch facilities. This classification is used only on this type of material to assume that it has been reviewed and appropriately marked.

Mr. HANCOCK. When documents reached the State Department, they were then classified and labeled accordingly? Is that done as soon as they are received?

Mr. CHELF. Who was the classification officer?

Mr. THOMAS. Division of Communication.

Mr. CHELF. Did he have the right to classify these as "secret," "top secret," "confidential," or restricted"?

Mr. THOMAS. Yes.

Mr. HOBBS. Mr. Feighan wishes to ask a question.

Mr. FEIGHAN. When you set forth those regulations requiring authorization from a

superior officer in order to take out of the building some of those documents, was that a regulation put into effect on May 14 of 1945?

Mr. THOMAS. Yes, sir.

Mr. FEIGHAN. Then, preceding that, I would like to know if I am correct in my belief that you stated if a person had a gold badge, that gave him authority to enter any building any time of the day or night and take out any kind of a document?

Mr. HANCOCK. Except top secret?

Mr. THOMAS. Except top secret, yes.

Mr. FEIGHAN. That was in effect from 1941?

Mr. THOMAS. Yes.

Mr. FEIGHAN. Did that obtain after May 14 of last year?

Mr. THOMAS. No, sir. That was discontinued on December 1 of 1945.

Mr. FELLOWS. That did permit him to take out, anytime of the night, without any restrictions, so-called "secret documents"?

Mr. THOMAS. It gave you authority to physically take out of the building an envelope, you might say, and the guard would not have authority to question the contents of the envelope if you had a gold pass.

Mr. SPRINGER. He might have top secret material in that envelope?

Mr. THOMAS. Yes.

Mr. SPRINGER. And the guard would never inspect it at all?

Mr. THOMAS. With the other passes, he must.

Mr. HANCOCK. Did he give a receipt to anybody or make a note?

Mr. THOMAS. He is to obtain permission from the chief of his division.

Mr. HANCOCK. That is "top secret."

Mr. THOMAS. It is "secret," too.

Mr. HANCOCK. When he removed them, he received permission for definite papers?

Mr. THOMAS. Yes.

Mr. HANCOCK. Did anybody examine to see that he took nothing in addition to that?

Mr. THOMAS. No, sir.

Mr. HANCOCK. There was no way to check whether he returned those documents?

Mr. THOMAS. Not if there was not a receipt or description given.

Mr. HANCOCK. There is no way of recovering them.

Mr. CHELF. In other words, you did not have a security system until March of 1945?

Mr. THOMAS. We had a system.

Mr. CHELF. It was not very good.

Mr. THOMAS. I think it has been improved some.

Mr. CHELF. I am talking about up until March of 1945, you practically had no system, did you?

Mr. THOMAS. There were regulations issued.

Mr. CHELF. In other words, a man with a gold badge could take out a ream or a truckload of papers if he cared to so long as they were just marked "secret"? Correct?

Mr. HANCOCK. No one knew what he had. He did not have to account to anybody when he returned them. He could keep them if he cared to.

Mr. THOMAS. That is just about right.

Mr. CHELF. That is the reaction I have from what you just stated.

With your security system, did you have anyone delegated or given the authority to check the offices, the desks from time to time to see whether or not any of this "secret," "top secret," or other confidential information had been allowed to remain on the desks overnight?

Mr. THOMAS. Not at that time, no, sir.

Mr. CHELF. Was there any regulation which required these men to put this information in safes?

Mr. THOMAS. Yes, sir. That was covered in a regulation issued June 3, 1944. That required it.

Mr. CHELF. There was no enforcement of it?

Mr. THOMAS. No.

Mr. CHELF. Who was the security officer at that particular time?

Mr. THOMAS. I believe G. Holland Shaw, former Assistant Secretary.

Mr. CHELF. Had your security officer trained or taught anything pertaining to security? Had he been given any training at all to conform with the ideas of the Army or Navy, for instance?

Mr. THOMAS. Yes. I would say Mr. Shaw was pretty well versed in security.

Mr. CHELF. Did he have any meetings of security officers who were under him at that time?

Mr. THOMAS. Not to my knowledge.

Mr. CHELF. There were never any routine checks to see how the system was functioning?

Mr. THOMAS. No.

Mr. FELLOWS. Were any instructions given by him?

Mr. THOMAS. Yes. June 3, 1944.

Mr. FELLOWS. Pieces of paper telling what should and should not be done?

Mr. HANCOCK. Do you have any idea how many papers were removed?

Mr. THOMAS. You had no way of telling at that time.

Mr. HANCOCK. Do you know now?

Mr. THOMAS. Yes.

Mr. SPRINGER. How many were there? How many were removed up to the present time?

Mr. THOMAS. I could not say, sir.

Mr. FELLOWS. Can you not approximate it?

Mr. THOMAS. No, sir.

Mr. FELLOWS. Was it hundreds or thousands of documents?

Mr. HANCOCK. We understand as many as 1,700 purloined State Department documents were found in one office in New York City.

Mr. THOMAS. I am not familiar with that case.

Mr. FELLOWS. What case?

Mr. HANCOCK. With the Amerasia case.

Mr. HANCOCK. Were these files and safes inspected regularly to see that there were no leaks?

Mr. THOMAS. Not then, not to my knowledge.

Mr. FELLOWS. You would know, would you not?

Mr. THOMAS. I know now. I know now.

Mr. HANCOCK. How about broken locks on files? Would you know about that?

Mr. THOMAS. Now; yes.

Mr. HANCOCK. A file might have had a broken lock for years. Nobody in authority might have been told about it.

Mr. FELLOWS. Would it be possible for me to get a gold badge by borrowing it?

Mr. THOMAS. Very easily.

Mr. CHELF. What sort of files did you have there at the State Department from 1941 until 1944, in June? Metal, wood, or what?

Mr. THOMAS. Metal.

Mr. CHELF. Did they have a pin lock on them?

Mr. THOMAS. A few had combination locks. Most of them were regular key locks; Yale.

Mr. CHELF. Who had the keys to the various lock files?

Mr. THOMAS. As I recall, the keys were kept by individuals themselves.

Mr. CHELF. What individuals?

Mr. THOMAS. The individuals who had access to the files during the day.

Mr. CHELF. Did they carry those keys with them away at night?

Mr. THOMAS. I would say so; yes, sir.

Mr. CHELF. Thereby, they would have an opportunity to have them duplicated if they wanted to?

Mr. THOMAS. Yes. It would be a simple matter.

Mr. FEIGHAN. Does the Department issue duplicate keys?

Mr. THOMAS. Yes, sir.

Mr. HOBBS. Do you have a list of those who were issued gold passes?

Mr. THOMAS. There is such a list.

Mr. HOBBS. Do you recall that Mr. Emmanuel Sigurd Larsen was one of the employees of the State Department who had such a pass?

Mr. THOMAS. Yes. I do.

The CHAIRMAN. Did he or did he not?

Mr. THOMAS. It is my understanding he had a gold pass.

The CHAIRMAN. For what period?

Mr. THOMAS. I do not know, sir. I know that it was taken up on June 26, 1945.

Mr. FELLOWS. That was after his arrest?

Mr. THOMAS. I think it was; yes, sir.

Mr. CHELF. Who issued that pass to Larsen?

Mr. THOMAS. That would be issued by the Division of Central Services, I believe.

Mr. CHELF. Who was in charge, at that particular time? What did you say his name was?

Mr. THOMAS. Mr. William D. Wright.

Mr. CHELF. Was there any investigation of the character, history, background of any of these fellows who rated one of these gold badges?

Mr. THOMAS. Yes, sir. The regular departmental investigation was made of the personnel. Then, upon the recommendation of the chief of his division, a gold pass was issued.

Mr. CHELF. Did the Federal Bureau of Investigation assist in that check for you?

Mr. THOMAS. You mean in the investigation?

Mr. CHELF. Yes.

Mr. THOMAS. I think a check was made from their security files as to whether they had subversive information or not.

Mr. HANCOCK. Was that check made before the gold badge was issued?

Mr. THOMAS. That is made of all departmental personnel.

Mr. CHELF. Was that made before the issuance of the gold pass?

Mr. THOMAS. I hesitate to say, sir. I know it is in effect now.

Mr. CHELF. Do you know whether it was or not at that time?

Mr. THOMAS. No.

Mr. HANCOCK. The check was a routine matter conducted by the personnel office before anyone was employed. What Mr. CHELF was asking is this: Was any special investigation made of the man who was applying for a gold pass?

Mr. THOMAS. No, sir.

Mr. HANCOCK. His original check-up was sufficient?

Mr. THOMAS. That is right.

Mr. CHELF. The same check-up would be used for the red pass and the blue pass as would be used for the gold pass?

Mr. THOMAS. Yes.

Mr. CHELF. Notwithstanding the fact the gold-pass bearer could take anything out with the exception of a top-secret document?

Mr. HOBBS. As a matter of fact, anybody with a gold pass could take anything out, including a top-secret matter?

Mr. THOMAS. Yes. I would think so. He would not be stopped at the door. It would not be with the authorization of the Department, understand, but the guard was not permitted to stop him if he had a gold pass.

The CHAIRMAN. Do you know whether Mr. John Stuart Service was in the employ of the State Department?

Mr. THOMAS. Yes, sir. He was a Foreign Service officer.

Mr. HOBBS. Did he have a gold pass?

Mr. THOMAS. No, sir. He had a Foreign Service pass.

Mr. HOBBS. What is the effect of that?

Mr. THOMAS. That permits entry in and out of the building.

The CHAIRMAN. Did that give him authority to take any papers without being stopped by the guard?

Mr. THOMAS. I am not familiar with that regulation, sir.

Mr. HANCOCK. Did you know a Lt. Andrew Roth?

Mr. THOMAS. I have just heard the name.

Mr. HANCOCK. You do not know whether he had access to the State Department files or not?

Mr. THOMAS. No, sir. I do not.

Mr. FELLOWS. Mr. Jaffe did not have a gold pass so far as you know, did he?

Mr. THOMAS. No.

Mr. FELLOWS. He did not need one.

Mr. HOBBS. What about Mr. Mark Gayn?

Mr. THOMAS. He was on the editorial board of Amerasia.

Mr. FELLOWS. Did you ever see him in the State Department?

Mr. THOMAS. No, sir.

The CHAIRMAN. Do you know whether or not he was employed, at any time, in the State Department?

Mr. THOMAS. Not to my knowledge.

Mr. CHELF. He did not have to be with this other mob.

Mr. FELLOWS. Do they still call the man who is in charge of these documents "security officer"?

Mr. THOMAS. No, sir. I am the assistant security officer.

Mr. FELLOWS. Do they have a chief?

Mr. THOMAS. Mr. R. L. Bannerman.

Mr. FELLOWS. That word "security" was used to indicate he was responsible for these papers that would be a threat against the safety of the country?

Mr. THOMAS. Only since 1945.

Mr. FELLOWS. While the war was on, it did not matter?

Mr. THOMAS. No, sir.

Mr. CHELF. He was a security officer, no doubt.

Mr. HANCOCK. The predecessor in authority was William P. Wright?

Mr. THOMAS. No, sir. The predecessor was G. Holland Shaw. The security officer before that was David Salmon.

Mr. HANCOCK. How long was Shaw chief security officer?

Mr. THOMAS. He was in addition to that, Assistant Secretary of State.

Mr. HANCOCK. How long did he have this security responsibility?

Mr. THOMAS. I would say for 2 years, 3 years.

Mr. FELLOWS. Between what dates?

Mr. THOMAS. Two or three years.

Mr. FELLOWS. Is that right?

Mr. THOMAS. That is right.

Mr. FELLOWS. Where is he now?

Mr. THOMAS. I do not know, sir.

Mr. FELLOWS. Is he in Washington?

Mr. HANCOCK. In the Department now?

Mr. THOMAS. No, sir.

Mr. HANCOCK. Did he resign voluntarily?

Mr. THOMAS. I suppose so; yes, sir.

Mr. CHELF. Do you have any personal knowledge of anyone ever having been given a reprimand prior to the system set up in 1945, last year?

Mr. THOMAS. I actually have no knowledge.

Mr. CHELF. Do you know of anyone who was discharged as a result of taking papers out?

Mr. THOMAS. I know of no one, sir.

Mr. CHELF. There is nothing in your hands, at the present time, as security officer, to indicate any such information?

Mr. THOMAS. No.

The CHAIRMAN. Mr. Thomas, do you have knowledge of any papers of the State Department, in any of these four categories, that were recovered by the State Department from the outside?

Mr. THOMAS. Only hearsay.

The CHAIRMAN. Were they or were they not returned to your office?

Mr. THOMAS. I understand some were recovered and returned; yes, sir.

The CHAIRMAN. You do not know which ones, nor how many?

Mr. THOMAS. No, sir.

Mr. CHELF. They were not brought to your immediate attention as security officer, even upon their return?

Mr. THOMAS. I believe they were brought to the attention of Mr. Holmes, the Assistant Secretary, at that time.

Mr. CHELF. Assistant Secretary?

Mr. THOMAS. Julius C. Holmes.

Mr. CHELF. Did he apprise you of the situation as to what had been returned?

Mr THOMAS. I was not there at the time.

Mr. CHELF. When were the papers brought to Mr. Holmes that you speak of?

Mr. THOMAS. I do not know the exact date. It was the early part of 1945.

Mr. CHELF. Around March or April?

Mr. THOMAS. Yes, sir.

Mr. CHELF. Have you, at any time since then, been given any information which would indicate what papers, if any, were taken?

Mr. THOMAS. Just my understanding that the papers in connection with Amerasia case were returned, and the investigation begun, and the Federal Bureau of Investigation was called in to assist.

Mr. CHELF. But you, as the present security officer, have never been officially advised just what papers were taken. You have never had an opportunity to peruse them or to see them? Is that right?

Mr. THOMAS. No, sir.

Mr. HANCOCK. Did you ever make any attempt?

Mr. THOMAS. I made an attempt to review the file.

Mr. HANCOCK. What did you find out?

Mr. CHELF. Did you get to see the file?

Mr. THOMAS. Yes, sir.

Mr. CHELF. What did you find out?

Mr. THOMAS. I found out the method of operation and of the conduct of the investigation.

Mr. CHELF. What operation?

Mr. THOMAS. Of the removal of the documents.

Mr. CHELF. What the operations, as you saw them?

Mr. THOMAS. I would prefer to disclose that in an executive session.

Mr. HANCOCK. The fact is neither you nor anyone else in the State Department knows what papers have been taken, and what papers are still missing?

Mr. THOMAS. I think that is true, sir.

Mr. FELLOWS. How are you going to guard the present files if you do not know what is in them?

Mr. THOMAS. We have a record of the top secret documents now.

Mr. FELLOWS. The secret documents as well?

Mr. THOMAS. No, sir; not secret documents.

Mr. FELLOWS. You do not have any record of the secret documents?

Mr. THOMAS. No, sir.

Mr. CHELF. At the present time, are the top secret or secret documents numbered?

Mr. THOMAS. No, sir.

Mr. CHELF. Is a receipt required when one takes them over?

Mr. THOMAS. Yes, sir. It is given a number. It has a tally slip, a receipt slip bearing a number on it. That is sent to the Division of Coordination and Review and a record is made as the item progresses along to the different divisions.

Mr. CHELF. What is the system when they return that document?

Mr. THOMAS. When a receipt is received, first of all, it is recorded in the book in the issuing office. For instance, a document is issued by one division within the Department. A record is made in the book of that document, and where it is sent.

Mr. CHELF. Is it listed as to whether or not it is an original or a copy?

Mr. THOMAS. Yes, sir.

Mr. CHELF. Are you that specific?

Mr. THOMAS. Yes. There is to be no actual copy made of a top-secret document.

Mr. FELLOWS. You would help me if you would tell me what course the document takes when it gets to the State Department, a document marked "Secret," or "Top secret"; what is done with it until it reaches a file with a hook and eye?

Mr. THOMAS. You refer to a "top-secret" telegram or cable?

Mr. FELLOWS. Anything you classify as "Top secret."

Mr. THOMAS. We maintain the same standards on material coming from other departments, War, Navy, and other Departments as we would our own material.

Mr. FELLOWS. What is marked on it?

Mr. THOMAS. It will come in registered as "Top secret" or one of its other various classifications. It will be delivered by courier, usually an officer. A receipt is given for that document to the courier. For instance, they would be received in the Secretary's office. The receipt would be given by the Secretary. From there on, the distribution is very limited. It is designated by the office receiving it what distribution it should have.

Mr. FELLOWS. Are their initials on it?

Mr. THOMAS. The tally is made down the side of the documents showing the distribution to the various divisions and it is usually either crossed out when the document is received in that division, and then initialed by the receiving officers and those that might have access to it.

Mr. CHELF. You stated, awhile ago, no one, now, has a right to make a copy of an original secret or top-secret document.

Mr. THOMAS. That is right.

Mr. CHELF. What was the procedure before?

Mr. THOMAS. That was the procedure then.

Mr. CHELF. How do you account for the fact there were so many copies of secret and top-secret documents that were found?

Mr. THOMAS. You had no control.

Mr. CHELF. Really anyone who had the right to possess a top-secret or secret document automatically had the right to make as many copies as he wanted to make?

Mr. THOMAS. It was a violation, but he could.

Mr. CHELF. He had the power. It was up to his own good judgment while and during the time he was in possession of the article.

Mr. THOMAS. That is right.

Mr. SPRINGER. Under this present system, you have taken up these gold passes, the blue passes, and the red passes, as I understand it, and you have issued building passes?

Mr. THOMAS. We have a regular building pass. This is also issued by the Division of Central Services. It has no photograph on it, but it does have a number.

Mr. SPRINGER. What does that give the holder of that pass authority to do?

Mr. THOMAS. It is subject to departmental regulations.

Mr. SPRINGER. He can come in and get papers out of the file and put them in a brown envelope, and can pass out with those papers?

Mr. THOMAS. Yes.

Mr. SPRINGER. Even top secret or secret papers?

Mr. THOMAS. Well, you might say the ship is no better than its crew.

Mr. SPRINGER. And the guards at the door have no authority to stop the man and look in the envelope to see what he is carrying out of the building?

Mr. THOMAS. That is right.

Mr. SPRINGER. He could carry away secret or top-secret material without molestation?

Mr. THOMAS. I think he could.

Mr. SPRINGER. That is under your present system?

Mr. THOMAS. I think he could.

Mr. CHELF. Then you have not improved.

Mr. THOMAS. We can account for it.

Mr. SPRINGER. But anyone of your employees who has access to those files, the

papers in the files, could put them in a notebook and take them out, could he not?

Mr. THOMAS. Yes, sir. They could do that.

Mr. CHELF. They could make copies and then return them?

Mr. THOMAS. Yes.

Mr. FELLOWS. Were the top-secret documents kept in a three-combination safe?

Mr. THOMAS. Not always.

Mr. FELLOWS. That was the rule in July 1944?

Mr. THOMAS. I do not think that was followed.

The CHAIRMAN. All right, sir. We will ask you to stand by, if you please, sir.

Can you leave copies of those passes with us?

Mr. THOMAS. Yes; I think I can. These are passes that have been taken up.

The CHAIRMAN. We will ask you to stand by so we can continue the examination in executive session.

Mr. THOMAS. Thank you.

The CHAIRMAN. We are delighted to have with us Capt. J. W. Whitfield, of the Office of Naval Intelligence.

I appreciate your coming, sir. We will appreciate it if you will give us such information as has been asked about in regard to the State Department with reference to the Navy Department under your control.

Statement of Capt. J. W. Whitfield, United States Navy, Office of Naval Intelligence

Captain WHITFIELD. Mr. Chairman and members of the Judiciary Committee, I have a prepared statement.

The CHAIRMAN. Go ahead.

Captain WHITFIELD. The security of information against foreign espionage has been a matter of gravest concern to the Office of Naval Intelligence. It is apparent that this committee is equally aware of this threat to our national security. The Chief of Naval Intelligence applauds your interest in this problem and welcomes this opportunity to express his thoughts on this subject. It is hoped that he will be permitted, before these hearings are concluded, to discuss other parts of this problem than that specifically raised by this inquiry, because he is convinced that corrective legislation is badly needed.

Within the framework of policy guidance furnished by the Joint Chiefs of Staff and by State-War-Navy Coordinating Committee, it is called Swank, the Navy Department exercises a certain measure of discretion. Of course, decisions which involve considerations outside of the framework of approved policy must be referred to the Joint Chiefs of Staff or to SWNCC by the Navy Department.

Within the Navy Department, the originator or author of classified information, documents or material, is responsible for its security classification and for the initiating of any change in its classification which may become appropriate.

The Office of Naval Intelligence is responsible for the protection of classified information. The Office of Naval Intelligence is not responsible for classification itself although, if asked, will give policy guidance on proper classification. Likewise, Office of Naval Intelligence is not responsible for the release or withholding of unclassified matter.

Office of Naval Intelligence represents the Navy Department on such interdepartmental security agencies as the Joint Security Control and (MIC) Military Information Committee (a subcommittee of SWNCC), which frame governmental policies and which recommend decisions to be taken in specific cases. Office of Naval Intelligence also represents the Navy Department on the Interdepartmental Intelligence Committee (ICC), which has as its members, Director of Federal Bureau of Investigation, Assistant Chief of Staff (G-2), and the Chief of Naval Intelligence. This committee concerns itself with domestic security.

The record will show that Office of Naval Intelligence has consistently taken the initiative in pressing for greater domestic security, especially in fields of interdepartmental cooperation, in establishing uniform policy for the disclosure and exchange of information, in pressing for stronger security legislation and in pressing for administrative control of aliens and of classified information and material.

Office of Naval Intelligence is the designated agency of the Navy Department through which requests from foreign agencies for information under the control of the Navy Department are channeled. The type of requests usually received are for classified documents, or for authority to visit naval establishments or private industrial plants have classified naval contracts. The Provost Marshal General of the Army is responsible for the clearance of the employment of aliens in private plants having classified contracts with either the Army or the Navy. The executive office of the Secretary of Navy is responsible for the clearance of aliens employed in the naval establishments. Office of Naval Intelligence has requested the Provost Marshal General and the Executive Office of the Secretary of the Navy to keep the Office of Naval Intelligence informed of aliens so employed. Office of Naval Intelligence may warn the Executive Office of the Secretary of Navy or the Provost Marshal General of aliens who are reported to be employed and about whom Office of Naval Intelligence may have derogatory information.

Office of Naval Intelligence is an information agency, but in general is not an action agency, that is, Office of Naval Intelligence's duty is to inform responsible authority of any threat or security, but definitive action is taken by responsible authority and not by Office of Naval Intelligence.

Office of Naval Intelligence is responsible for the security of Navy classified information against espionage, for the security of naval personnel against subversion, and for the security of Navy Establishment against sabotage.

II. Safeguards for Navy classified material. Navy Regulations, article 76, describes the precautions for the security of classified information and material. I offer you herewith a copy of article 76 of the Navy Regulations. You will find that the rules are quite lengthy and I believe they will cover the subject adequately.

In brief, this article—

(a) Defines terms used;

(b) Defines responsibility for classifying, up-grading, down-grading, and declassifying;

(c) Restricts disclosure of classified information to "those who need to know" with detailed definitions of the qualifications of such persons;

(d) Prohibits "loose talk";

(e) Requires a report in case of any actual or suspected loss or compromise of classified information or material;

(f) Describes the manner in which material of each classification must be transmitted. The usual means are officer messenger, diplomatic pouch, and registered mail.

(g) Describes the registration and receipt system for accounting for classified documents and material;

(h) Requires that personnel who are given access to classified material be loyal and discreet and have need for the information;

(i) Describes rules for physical security of classified information and material, such as use of combination safes, etc.

Earlier in my statement I mentioned the Interdepartmental Intelligence Committee consisting of Mr. J. Edgar Hoover, Director of Federal Bureau of Investigation, General Vandenberg, head of Army Intelligence, and Admiral Inglis, Chief of Naval Intelligence. Admiral Inglis initiated in this committee a suggestion for stronger legislation. As a result of this suggestion, a working committee was given the task of recommending specific changes in the laws of our country. These proposed changes, at present of a confidential nature, have the unanimous approval of all members of the Interdepartmental Intelligence Committee, and have been forwarded to our respective Secretaries for their approval and support.

Briefly this report recommends—

(a) That in espionage cases involving unauthorized delivery of Government documents, or loss thereof through gross negligence, the element of intent to harm the United States be not required to be proved;

(b) That penalties should be provided to punish those guilty of willful dissemination of information vital to the national defense, or for the unlawful possession of documents relating thereto——

Mr. HANCOCK. What penalty do you recommend for the violation of those regulations?

Captain WHITFIELD. The death penalty in time of peace and war. It was the next sentence. We wish to carry the penalty provided for in war in time of peace as well.

Mr. HANCOCK. You do not think $500 is big enough for the wholesale theft of papers?

Captain WHITFIELD. Not in my opinion, sir.

(c) That the death penalty be provided for in time of peace, as well as war, in espionage cases;

(d) That any person who has received instructions in foreign espionage, sabotage, etc., be required to register such fact with the United States authorities;

(e) That the wartime laws governing water-front security be extended to peacetime application.

The committee's support of S. 805, a bill prohibiting the divulging of code messages and one vitally affecting the field of cryptographic security, is requested. This bill is now under consideration by the House, having passed the Senate sometime ago. As many months have passed since this legislation was first introduced, it is urgently and earnestly recommended that it be brought up for final action before adjournment of the present session of Congress.

One of our most serious problems is the control of aliens within the United States. Office of Naval Intelligence initiated a study of this subject by the Interdepartmental Intelligence Committee. The study has about been completed and will probably recommend that the Bureau of Immigration and Naturalization of the Department of Justice be given primary responsibility for centralized control of these individuals. At present there is no central office in our entire Government established where definite information can be obtained as to the whereabouts of aliens within our border; nor from which may be readily ascertained when such aliens arrive in the country or when they leave. The situation is especially bad in connection with alien seamen who are members of merchant ship crews.

Alien seamen are permitted to leave their ships and sojourn unmolested to any place in our country provided they return to their ships within 30 days. However, there is no adequate machinery for checking them into the country nor checking them out, and there is no assurance they will leave even after 30 days have expired.

Also, there are literally thousands of individuals who cross into this country from Canada and Mexico daily with only the most casual surveillance at our borders. So far as I am informed, alien control is largely an administrative measure and no further legislation on the subject has been recommended by our working committees. However, it is most essential that the Immigration Bureau receive the support of Congress in the way of appropriation and personnel to discharge the very onerous duty which we are recommending they undertake in order

to correct these deficiencies in alien control which I have tried to outline briefly before this committee. I earnestly request your support for any reasonable request which the Justice Department may make for this purpose.

In submitting this brief outline on our proposed changes in our law, it is hoped that Office of Naval Intelligence will be afforded the opportunity to appear before you with further details before these hearings are concluded, if approved by our Secretary.

The CHAIRMAN. Captain, will you give us an outline of the modus operandi that the Office of Naval Intelligence for the Navy Department uses to protect its secret documents or documents that are top flight secret or any other category that shows they are of a confidential nature?

Mr. CHELF. Both before the war and during the war, and also now.

Captain WHITFIELD. This Article 76 is from the United States Regulations, 1920. This article has been revised from time to time to meet the conditions, especially during the war. This last revision is a revision of the 31st of March, 1944. It cancelled such previous orders on the same subject and amplifies those orders.

As to our system of guarding our classified information, and by classified information I refer to top secret, secret, confidential and restricted. They all come under classified information.

Mr. SPRINGER. As I understand, you have not revised your regulations since 1944?

Captain WHITFIELD. That is right, sir. Our top secret control procedure is rather stringent. It is separate and distinct control. It is known as top secret control procedure. There is a top secret control section in the Department with specially selected officers who are known as top control officers. These officers are specially selected because of their wide background of investigation and loyalty.

Mr. CHELF. Who makes your investigation on that? Who assists you?

Captain WHITFIELD. I am responsible for that, sir. It is done in the Office of Naval Intelligence. If an officer has been 10 years in the Navy or any other Government position with a clear record, we do not investigate him too thoroughly. For instance, I have been in the Navy for 30 years. I could be designated to handle top secret material without any further investigation. Anybody who has been in the service less than 10 years, a full and complete background, going out to his neighborhood, is made of the individual.

Mr. SPRINGER. Is this investigation made before an appointment has been made?

Captain WHITFIELD. If the exigencies of the circumstances call for it. There are times when this cannot be done. There are times when you must designate a top secret control officer without an investigation of the circumstances. Out in the fleet, it may be necessary to designate an officer whom you have not investigated. That is your responsibility. You must select that officer. You must be responsible for him. It is not always possible to make an investigation.

Mr. FELLOWS. Did you know Andrew Roth?

Captain WHITFIELD. Personally, no. I know of the case.

Mr. FELLOWS. Was he connected with your department?

Captain WHITFIELD. He was.

Mr. FELLOWS. In what capacity?

Captain WHITFIELD. He was an officer in Naval Intelligence assigned to the Far Eastern section.

Mr. FELLOWS. What is known about him? Was his record investigated?

Captain WHITFIELD. His record was investigated. He came to the Navy as an enlisted person. Before he was given a commission, he was investigated, sir. Yes, sir.

Mr. FELLOWS. What was the result?

Captain WHITFIELD. The results were that he was suspected or alleged to be a fellow traveler, sir.

Mr. FELLOWS. But he was attached to the Department just the same?

Captain WHITFIELD. He was commissioned in spite of that. I might add, as a personal opinion, we were allies of Russia at the time; the fact that an officer was a Communist was not a bar to the commission.

Mr. FELLOWS. You suspected, strongly, he was a fellow traveler?

Captain WHITFIELD. Yes, sir. The record indicates that.

Mr. FELLOWS. The complete record indicates it, does it not, up to date?

Captain WHITFIELD. Yes, sir.

Mr. FELLOWS. He was commissioned later as a commander—a lieutenant?

Captain WHITFIELD. Lieutenant; yes, sir.

Mr. CHELF. Promoted?

Captain WHITFIELD. Yes, sir.

Mr. FELLOWS. Who promoted him?

Captain WHITFIELD. The promotions made during the war were made by the Secretary of the Navy, usually at a regular interval of time; every so often an order would come out which would say that all officers in a certain category could be promoted automatically unless there was evidence of his unfitness for promotion. That was a matter of discretion. You could withhold a promotion by so reporting his unfitness.

Mr. FELLOWS. The fact that a man was suspected as a member of the Communist Party, would that make any difference in the way he was treated with reference to his opportunity to reach files in the Department?

Captain WHITFIELD. As I stated before, sir, I was not there, then. Due consideration was taken of that fact. But, at that time, the directors of higher authority thought that the fact he was suspected of being a Communist was not reason enough to bar him from the commission. However, in this particular case, he did not have access to top-secret documents because very few officers have access to them.

By nature of his duties as an officer, he did, by the job that was assigned to him, have access to secret matter.

Mr. FELLOWS. As distinguished from top secret?

Captain WHITFIELD. He never had any information, nor should he have top-secret information.

Mr. FELLOWS. Is your definition of secret the same definition that has been read into the record?

Captain WHITFIELD. I listened to it. I believe it was word for word.

Mr. FELLOWS. Top secret, certain secret material and information, the security aspect of which is paramount, and the unauthorized disclosure of which is paramount, and the unauthorized disclosure of which would cause exceptionally grave damage to the Nation, or embarrassment to the Government.

Captain WHITFIELD. Our definition of top secret is, "Top secret.—Certain secret documents, information, and matériel, the security aspect of which is paramount, and the unauthorized disclosure of which would cause exceptionally grave damage to the Nation, shall be classified as top secret."

Mr. FELLOWS. Is your definition of secret the same as the State Department's definition?

Captain WHITFIELD. I do not recall your definition, sir. I will read the definition of secret as we have it listed: "Secret—Documents, information, or material, the unauthorized disclosure of which would endanger national security, cause serious injury to the interests or prestige of the Nation, or any governmental activity thereof, or would be of great advantage to a foreign nation shall be classified secret." Ours is worded a little differently, I think.

Mr. FELLOWS. Andrew Roth, to your knowledge, had opportunity to come in contact with secret documents from your department?

Mr. THOMAS. That, I believe, is correct, sir.

Mr. FELLOWS. Was any precaution taken with reference to him that was not taken with reference to any other officer?

Mr. THOMAS. Any other officer, as an officer in good standing, if his duty required, if he were supposed to know, would have the same access.

Mr. FELLOWS. Subsequent events have shown it was not good judgment.

Captain WHITFIELD. The Office of Naval Intelligence took Andrew Roth with a great deal of reluctance. It was some higher authority in this case.

Mr. HANCOCK. Was Roth the only fellow traveler in the Office of Naval Intelligence, or were there others?

Captain WHITFIELD. I made a survey recently of all Naval and Marine Corps personnel serving during the war who were suspected of being fellow travelers or known members of the Communist Party. There were but slightly over 2,000 in all out of a total of approximately 5,000,000 men. Of this first number (2,000), less than 200 were officers. Since the war, all of those have been released from the Navy, sir. As far as the Navy is concerned, after the Roth case was closed, a more stringent checkup was made. Officers have been released from the Office of Naval Intelligence.

Mr. HANCOCK. Was it common to have them in Naval Intelligence?

Captain WHITFIELD. It was unusual. In my opinion, it was unusual. That was not a bar to accepting officers in the Navy. We were forced to take Andrew Roth in the Navy Intelligence. That is my opinion.

Mr. SPRINGER. Did you give them the same consideration, the same opportunity, that all other officers had?

Captain WHITFIELD. No, sir. All the known members of the Communist Party or suspected members of the Communist Party were immediately—this information was given to the Bureau of Personnel throughout the war. The commanding officer of that individual was notified of this knowledge. He was directed to utilize this individual in places where he could do the least amount of harm. That was consistent throughout the Navy, so far as I know.

Mr. SPRINGER. That condition, to a certain extent, demoralized the officials of the Navy, when you could confide in one and could not confide in another?

Captain WHITFIELD. I don't know whether I understand your question.

Mr. SPRINGER. That was demoralizing, was it not, when you could confide in some of the officers and you could not confide in others?

Captain WHITFIELD. That information was well guarded. The individual was assigned a job. It was a routine thing where he did not have to have information of vital importance.

Mr. FELLOWS. When you said Mr. Roth was accepted with reluctance, you meant there was some question about the man being connected with your Department at all?

Captain WHITFIELD. Not being there, I do not think any of the officers who were there are presently attached. Reading the record, I gathered that impression that he was accepted reluctantly.

Mr. FELLOWS. You did so with reluctance?

Captain WHITFIELD. That is my impression.

Mr. FELLOWS. Yet with that record, he was permitted access to secret files of the Office of Naval Intelligence.

Captain WHITFIELD. If his duty required him to know that, he was permitted to see it. Any information that went across his desk, he was entitled to have it by virtue of the fact that he was a commissioned officer in good standing.

Mr. HANCOCK. What about the removal of papers?

Captain WHITFIELD. They are covered thoroughly in these regulations.

Mr. HANCOCK. How are they enforced? What would prevent a man from walking off with a secret document?

Captain WHITFIELD. These regulations prescribe the methods of numbering, serials, and accounting for these documents. They are handled only by certain men who are responsible people. When an officer has an important document, he must know where it is every minute. He cannot leave the room at any time without locking it up. No officer was permitted to carry a secret paper around with him except by permission from proper authority.

Mr. HANCOCK. If the papers were missing, you would know it, and you would know who had it?

Captain WHITFIELD. They would know who is charged up with it. They know who is charged up with every secret or top secret document at all times. We have a receipt for it. I will give a receipt for that paper. I may hand it to my assistant, and I will not require a receipt from him, but I must know where that paper is at all times.

Mr. FEIGHAN. A short while ago you stated you were forced to take Roth in the Office of Naval Intelligence.

Captain WHITFIELD. I would like to say, sir——

Mr. FEIGHAN. Who exercised such force? I would also like to know if any enlisted man or officer has any supreme right to continue in a particular line of endeavor within the Navy whether it is in secret departments or not? I would like to get information on that. It seems strange and baffling to me.

Captain WHITFIELD. I do not wish to use the word "force." When he was up for appointment as an officer in the Navy, the knowledge he had at the time was reviewed carefully. My assumption from reading the record, in spite of the fact that, normally, you would not take him, at that time, the policy was that you should not reject a person because he might be a fellow traveler due to the fact that Russia was our ally at the time.

That was considered a bar for the Regular Navy. His qualifications were such he had been a Japanese linguist student of special value to the Office of Naval Intelligence. Therefore, I believe he was accepted under a little hesitation.

Mr. SPRINGER. It was necessary that he be recommended by this reviewing board, was it not?

Captain WHITFIELD. The review board is the Bureau of Personnel, not the Office of Naval Intelligence.

Mr. SPRINGER. He was recommended by someone?

Captain WHITFIELD. That is right.

Mr. SPRINGER. Who recommended him?

Captain WHITFIELD. At that time he was an enlisted man in the Navy. He was a student. He had been a student at Harvard University taking a course in the Japanese language. At the completion of that course he applied, himself, for a commission in the Regular Navy. That application went to the Bureau of Personnel. They are the final authority. We could protest. We could say we did not want this individual. However, we could do so only verbally. If the Bureau of Personnel decided they wanted him, he would be in.

Mr. SPRINGER. Did the Bureau of Navy Personnel recommend him for a commission?

Captain WHITFIELD. They had a board which they called Procurement Board at that time.

Mr. SPRINGER. By reason of the recommendation, he was thereafter commissioned?

Captain WHITFIELD. That is right, sir.

Mr. SPRINGER. Even though it was then known he was a fellow traveler?

Captain WHITFIELD. He was suspected or alleged to have been one. I will say he was known to be a fellow traveler, yes, sir. The record indicates that he was, sir.

Mr. HANCOCK. Do you know of any documents that have been taken and are still missing from the files?

Captain WHITFIELD. No, sir. I do not.

The CHAIRMAN. Captain, we are very much obliged to you, and we are very much obliged to Mr. Thomas.

We will ask you to be good enough to leave that document with us. Also leave your written statement, and then be kind enough to stand by for further executive hearing. We will appreciate that very much.

Captain WHITFIELD. Today, sir, or some other day, sir?

The CHAIRMAN. It will not be today. We are going to be busy on the floor. We are much obliged to you.

We will recess until further notice.

(Thereupon, at 12 o'clock noon the subcommittee recessed until further notice.)

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. CRAWFORD] is recognized for 20 minutes.

COMMODITY CREDIT CORPORATION

Mr. CRAWFORD. Mr. Speaker, I sincerely believe the administration has shown a practiced and studied indifference in the past to official and unofficial acts of fraud, malfeasance, misfeasance, and just plain corruption on the part of the official family and other officers and employees of the Government. The charges I make are serious—I fear only that I have understated them. In my opinion, they warrant the serious consideration of the Congress, and in the near future I hope to make recommendations not only as to a formal investigation but as to the action necessary to correct this foul-smelling mess.

On May 11, 1950, Ralph S. Trigg, president of the Commodity Credit Corporation of the Department of Agriculture, announced the approval of a contract whereby the Department of Agriculture and the Commodity Credit Corporation would barter with a New York export-import firm 45,000 bales of cotton which they owned for 60,000 tons of Manchurian soybeans.

The 45,000 bales of cotton were valued on the New Orleans cash market on May 11 at $7,301,250. The actual cost to the Commodity Credit Corporation is believed to be in excess of $7,603,000, which does not include storage or handling charges. The announcement gives very little information as to the grade or value of the soybeans. There probably is sound justification on the part of the administration for its failure to disclose fully all the details.

The soybeans are being acquired by the Commodity Credit Corporation through the World Commerce Corporation from the Communists for use by the United States armed forces in Japan. Officials in the Department of Agriculture apparently consider it a good deal. It is understood that they claim that the cotton is a surplus commodity and that the price of our domestic soybeans is much too high for the armed forces to pay. The cash market of soybeans on May 11, 1950, f. o. b. Toledo, Ohio, for an equivalent quantity, 60,000 tons or 2,000,000 bushels, would have been $5,800,000. It is reported, however, by the Chicago Journal of Commerce, that the price that the Communists are expected to receive is $20 per ton less than the United States domestic price. This would then fix the value of the soybeans at $4,600,000, and provide a gross profit of over $2,700,000 for the brokers. This is rough figuring without access to all figures.

First, why do we officially, as a Government, deal with the Communists? True, neither the Department of Agriculture nor the Commodity Credit Corporation signed the contracts with the Reds. They did know and admitted they knew where the soybeans came from and where the cotton was going. Further, they knew that the Japanese had been trading with the Reds for some months. Incidentally, the Japanese had been trading manufactured goods for soybeans, among other things.

Slightly over a month ago, the Reds tightened up on their deliveries, and the Armed Forces screamed that they needed soybeans. At that point, the broker, the World Commerce Corp. of 25 Broad Street, New York City, conveniently entered the picture. But, before we get into the brokerage business, let us finish up the dealing with the Communists. The administration, and those responsible for this reprehensible deal, must have another name for them—Comrade. Now, soybeans are not a strategic material or commodity. They are not like manganese or chrome which the Communists cut 28 and 46 percent respectively in 1949 over 1948 in their exports to the United States and which they have practically stopped exporting to us so far this year.

Let us consider how badly soybeans were needed. According to the Department of Agriculture, United States stocks of soybeans on April 1, 1950, were 119,663,000 bushels, compared with 115,052,000 bushels on April 1, 1949, and 88,462,000 bushels on April 1, 1948. Further, according to official reports of the Department of Agriculture, the American farmer intends to plant 18.3 percent more soybeans this year than he did in 1949. The actual increase is expected to be larger than this March 1, 1950 estimate. In fact, an all-time record crop of soybeans is expected. It is also worthy of note that as of March 31, 1950, the Commodity Credit Corporation reported an inventory of 1,060,259 bushels of soybeans acquired at a cost of $2,864,515.37 or approximately $2.70 a bushel. It would appear that the Commodity Credit Corporation could have furnished over 50 percent of the Armed Forces requirements and in their sale at the then market price, make a profit of 20 cents a bushel.

Let us now look at the brokers, the catalytic agent that engineered this fantastic deal. There are no Maragons in this deal—no Garssons or deep freezers—this is strictly big league—no five percenters—just 55 percenters.

In the New York Times of September 24, 1947, in nearly a full-column story, it was announced that "World trade body ready to function." It was disclosed at a meeting at the Bankers Club in New York City by Frank T. Ryan, president of World Commerce Corp., that interests represented by his family

company, John J. Ryan & Sons, textile exporters, and partners in Bache & Co., Wall Street stockbrokers, had joined the venture. The Ryan company is reported to be the world's largest dealer in cotton waste—and I am beginning to appreciate the aptness of the title.

In the same story in the New York Times on the same date, Mr. Ryan was quoted directly as follows:

> The time is at hand for American commercial alertness and ingenuity to assume world leadership in devising ways and means for maintaining and broadening international trade. Business, financial, and political leaders must be brought to the realization that the United States must buy as well as sell if we are to attain a sound national economy. Across-the-board tariff modifications should be high on the agenda of Congress when it reconvenes.

Let us at this point look at the tools with which Mr. Ryan and the World Commerce Corp. work. Cited as being financially interested was Floyd Odlum's Atlas Corp.; Robert Benson & Co., of London; Glore, Forgan & Co., of Wall Street and Chicago; the international banking firm of Hambros Bank, of London; Ladenburg, Thalman & Co., of Wall Street; the Mellon interests of Pittsburgh; and the Transamerica Corp. One-time associate of the World Commerce Corp. was the former Secretary of State, Edward R. Stettinius. His brother Howard is now on the board of directors. Among the directors are Maj. Gen. William J. Donovan, former Chief of the Office of Strategic Services; former Under Secretary of State and long-time Ambassador to Japan, Joseph C. Grew; and partners or representatives of the financial interests previously mentioned. In addition, there is further British representation in the person of Sir William Stephenson. Canada is also reported to be represented. Passing note should be given to the fact that the officers and financial backers have been for the most part—and still are—closely and intimately connected with the administration and its policy makers.

It is my firm conviction that the Japanese can be self-supporting within a reasonable period of time. I am in accord with the judgment of our military leaders that this should and can be accomplished within the near future with definite savings to the American taxpayer and with a return of self-government and self-respect to possibly strong allies in the event of a war against communism. This type of economic deal will not accomplish either objective.

The statement of Frank T. Ryan, president of the World Commerce Corp., on September 23, 1947, is the identical statement of free trade that has been advocated and practiced by the Truman administration. It could be a coincidence but I doubt it. I intend to continue by personal investigations and hope to be able to submit detailed recommendations to the Congress in the near future.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MURRAY of Wisconsin. The thing that impresses me about the gentleman's remarks is that we are shedding tears about the starving people of China yet we have an administration that turns right around and at the same time trades them out of 60,000 tons of soybeans. I think most people think Russia is taking enough food out of China without our being a party to it, and that we have reached a pretty low point when we have to do that in order to get rid of a few bales of cotton.

Mr. CRAWFORD. I think the gentleman's remarks are apropos to my statement.

IMPORTS OF PRODUCTS OF SLAVE- AND CHEAP-LABOR COUNTRIES

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, the gentleman from Michigan has just made a very interesting presentation and revealed some very startling facts. Pertinent to his statement. I have for some time been using my best efforts to secure cooperation from the administration in stopping the imports of products of slave- and cheap-labor countries into the United States. These imports have grown steadily in volume in recent months and are resulting in growing widespread unemployment in many industries. I am happy to note the first indication of official recognition of this situation by the administration. I have as a result addressed the following letter to the Secretaries of State, the Treasury, and Commerce, asking them for immediate administrative action to enforce laws now on the statute books in line with their administrative determination.

The letter follows:

Hon. DEAN ACHESON,
Secretary of State,
Department of State,
Washington, D. C.

Hon. JOHN SNYDER,
Secretary of the Treasury,
Treasury Department,
Washington, D. C.

Hon. CHARLES SAWYER,
Secretary of Commerce,
Department of Commerce,
Washington, D. C.

DEAR MR. SECRETARY: I am informed that the board of directors of the First United States International Trade Fair, which proposes to hold an exhibit of foreign manufactured products in Chicago, August 7 to 20, 1950, has rejected the exhibit of the Chamber of Commerce of Czechoslovakia.

The Trade Fair group is reported to have had official sanction of your departments and other Government agencies, and upon their recommendation rejected the application of the Czechoslovaks and returned their check. I understand the grounds for this action are that Czechoslovakia is not a free nation and that its products are the products of a slave or forced labor.

In view of this official or quasi-official determination by responsible Government agencies, I urgently request that you take action under the Tariff Act of 1930, title 19, section 1307, and immediately bar further imports from Czechoslovakia.

I would also appreciate being advised as to the determination of the departments and all other Government agencies as to what other countries have been classified in the category of other than free nations and their products as products of slave or forced labor.

Sincerely,

ANTONI N. SADLAK,
Member of Congress.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oklahoma [Mr. STEED] is recognized for 10 minutes.

FEDERAL AID TO EDUCATION

Mr. STEED. Mr. Speaker, proposed legislation providing Federal aid to education may be dead for this session of Congress, but the issue of Federal aid to education is not dead. Instead, this issue is more alive than ever and it will remain here to plague Congress until it is solved.

Recent debate over this issue has served to cloud some of the original purposes behind the proposed legislation.

For the benefit of the membership, I desire to recall some of the facts which I believe demonstrate why this issue will remain with us.

We have been considering the Federal-aid-to-education issue in the light of existing conditions. I think it wise for us now to also consider this issue in the light of what we know conditions will be in the next few years.

Evidence has been conclusive that we have a condition throughout the country which is harmful to our public-school program. Teachers have been so badly underpaid that the profession has been depleted to a dangerous point. Not enough young people are entering the profession to meet our present needs, let alone the need for more teachers that is growing yearly.

We have an estimated 4,000,000 children not in school today because school facilities simply do not exist for many of them. A large percentage of this group is being condemned to a life of illiteracy—a handicap far harder to overcome than many physical handicaps today.

But in addition to this, we are faced with an increase in our school population in the next few years which threatens to swamp public education. The cry is heard that this problem is one for the States and local communities to solve. Since so many of them are lacking the financial ability to solve today's problem, it is difficult to see how they can hope to cope with the situation that will exist during the next 5 years when the full force of the postwar baby crop hits them.

In round numbers, we have today approximately 28,000,000 children in our schools. Birth records for 1947, 1948, and 1949 already available set all time high marks. Children already born and not yet of school age prove beyond all question that we will have at least 37,000,000 children of school age by 1957. Most of this influx of additional children will come between now and 1957.

Our total public school cost in America today is estimated at roughly $4,651,000,000. We are now employing about 950,000 school teachers. Of this number, at least 80,000 to 90,000 are teachers inadequately qualified and trained. We are going to need at least 150,000 more

teachers in the next 5 years and our present teacher-training program will not provide that supply.

We have approximately 10,000,000 children attending classes in unsafe, unhealthy, and otherwise inadequate buildings today. This condition will get worse instead of better, since a majority of the school districts of America already have reached their financial bonding limit to provide more classrooms. Conservative estimates tell us that we need at least $7,000,000,000 worth of new classrooms right now, and this figure is expected to jump to as high as $11,000,000,000 within 5 years.

The State and local communities increased their school financing by more than a half billion dollars within the last year. While this has done much to improve salary conditions for teachers, we still find tens of thousands of school teachers working for subnormal pay.

Much has been said about Federal aid to education being a plan merely to raise the pay of teachers. If the total of the proposed $300,000,000 of Federal aid was devoted to teachers' pay, it would add only an average of $30 a year to present wages.

Actually, what the Federal-aid program is designed to do is twofold: One, it will raise the pay of many substandard teacher salaries. But by and large, it will provide funds for hiring additional teachers without our having to reduce present pay levels of teachers already on the job.

This is clearly evident when we consider the terrific effort on the home front that is now being made to finance schools. Only a few States can be shown to have much remaining capacity to maintain present finance levels. States that today make the best showing in school financing, are the spots where the greatest impact from this new baby crop is going to be felt. All these States are now faced with the task of either finding new ways to finance schools or to cut back the pay levels they have established for teachers' salaries.

I am calling these facts to the attention of Congress because I think they place an entirely new light on the Federal-aid-to-education issue.

It perhaps has been true up to now that the force behind the Federal-aid movement has been inspired by those already teaching to get more pay. But the forthcoming unprecedented increase in school enrollment is going to pose problems never before faced by our educational system.

We have seen far too many qualified teachers leave the profession for better paying jobs in other fields. Improvements made in local and State levels in the last few years have stopped this trend temporarily, but these improvements have not yet caused a sufficient increase in the number willing to enter the profession.

In view of the fact that so many States and local communities have now reached the limit of their abilities to finance schools; in view of the fact that only in a few of the States have teacher-pay levels been made satisfactory; in view of the fact that every year we can now see into the future is going to increase the needs for more facilities; in view of the fact that we cannot from a national standpoint afford to tolerate a continuing bad school program, I say Congress is going to be compelled sooner or later to recognize this problem.

I had hoped we could achieve some success in this field this year. I had hoped we could approach the problem calmly and sanely. I had hoped this was going to be accomplished before the national emergency became so severe that it would stampede us into an hurried and careless approach. But the religious issue has been forced into the proposition and it has had the over-all effect of blocking final congressional action.

We have gone far enough now to know that the religious issue will remain with us until it is solved. The matter cannot be compromised, despite the effort in that direction made in the Senate's bill. The solution adopted by the Senate at best offers only temporary relief from an ultimate congressional show-down on the religious quarrel.

I, for one, am opposed to having any religious consideration in this legislation. One way or the other, Congress is going to be compelled to take a stand, either for an outright acceptance of religious school aid or for a stand once and for all against such aid. I hope the second alternative is chosen. We can argue and debate the matter all we please, but it is now an issue that will require a majority vote to settle. I think most Members of the Congress also realize this point.

Summarizing the present situation, realizing the need for action, it is my hope that all those forces wanting to help strengthen our public educational system will become alert to the existing dangers. Such organizations as the Committee on Federal Aid to Public Education can do much to help bring this issue to a satisfactory settlement.

I am advised that a national conference to devise ways and means of pushing the fight for assistance to public education has been called for June 16 here in Washington under the auspices of the Committee on Federal Aid to Public Education. The American Association of University Women, the Y. W. C. A., the Parent-Teachers Association and many other organizations having a mutual interest in this subject have been invited to participate. It is to be hoped the teachers' own organization, the National Education Association, likewise will join in this movement. Only by presenting a united front can the friends of public education hope to make substantial progress so badly needed now.

A lot of work remains to be done. The Nation needs to know the issues. I hope all the issues can and will be presented, objectively and accurately. Religious issues tend toward emotional storms but for the sake of our children we must endeavor to meet this problem away from such emotions.

I think our friends who sponsor nonpublic schools ought to realize that their demands for help from public funds hold great danger for them. It ought to be plain for all to see that the same Congress that has power to help these nonpublic schools also has the power to harm these schools. The farther away from Congress the nonpublic schools remain is, in my opinion, the safest course for them to follow.

The same danger does not hold for public schools, since of necessity these institutions are financed and controlled by public funds and activities.

To all those who believe as I do that our American public system, operating under a church and state separation ideal, is the greatest safeguard we can offer our citizens I appeal for a joining of forces to help this fight.

One thing we must in all sincerity remember: If we really want to guarantee our future against totalitarianism, communism, and all the other enemies of democracy, proper education of our children is the first line of defense. Mr. Speaker, education is a national need and therefore a national problem.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries.

RIVERS AND HARBORS AND FLOOD CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 597)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and referred to the Committee on Public Works, and ordered to be printed:

To the Congress of the United States:

I have approved H. R. 5472, an act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

This act authorizes the construction of dams, locks, levees, and other works whose estimated total cost will be more than 1.8 billion dollars. Of this amount, the present act authorizes to be appropriated about 500 million dollars. In addition, the act authorizes additional appropriations of about 1.2 billion dollars to carry forward the construction of works authorized in previous acts.

The purpose and value of acts such as this is to authorize work which needs to be done at some time in the future. The actual commencement of work in each case will depend upon when appropriations are actually made. In a few cases, such as Albeni Falls Dam in northern Idaho, funds for which were included in the 1951 budget, the work is so urgently needed that appropriations should be made in the near future. In most cases, the work authorized in this act will be added to the present backlog of authorizations, and each project will be evaluated in the light of economic, budgetary, and other considerations in preparing and enacting each year's budget.

Most of the construction work authorized in this act is based upon careful planning, and will be of lasting value as an investment in the development and use of our natural resources. That is the reason I have signed the act.

In a number of particulars, however, the act is seriously deficient. I expect to take such remedial action as is open to me, and I request further legislative

action by the Congress, to meet these deficiences.

The basic reason for the deficiences in this act is, I believe, that the Congress has not adjusted its procedures to the inherent requirements of Federal resource development work. The Congress is well aware that the development and use of our natural resources must be carried on in ways that consider the interrelationship between different resources—particularly, in this case—water, land, and forests. This act, however, was prepared with a primary view to the rivers and harbors and flood control work of the Army Engineers—which is only one part of the job that needs to be done.

The failure to give proper consideration to the water resources responsibilities of other agencies, in enacting this legislation, is illustrated in several ways.

First, the act places on the department of the Army responsibility for "developing comprehensive, integrated plans of improvement" of the Arkansas, White, and Red River Basins (which cover parts of eight States), "for navigation, flood control, domestic and municipal water supplies, reclamation, and irrigation, development and utilization of hydroelectric power, conservation of soil, forest and fish and wildlife resources, and other beneficial development and utilization of water resources." Such comprehensive and integrated plans of improvement are obviously needed, not only for these river basins, but also for others. Some of the work to be done under such plans will be carried out by the Department of the Army, but other equally important phases of the work will be carried out by the Department of Agriculture, the Department of the Interior, and other Federal agencies. Under these circumstances, it is clearly inappropriate that those other agencies should not participate in making the plans in the first place. Furthermore, since the States, as well as the Federal Government, have important responsibilities in resource development work, this provision is defective in not requiring full consultation and collaboration with the States in preparing the comprehensive plans.

The act requires that the plans prepared by the Department of the Army shall be "coordinated with the Department of the Interior, the Department of Agriculture, the Federal Power Commission, other appropriate Federal agencies, and with the States as required by existing law." All that is required by existing law, however, is that certain Federal agencies and the States concerned be given an opportunity to comment on the plans prepared by the Department of the Army, before they are submitted to the President and the Congress. This is plainly no substitute for participation in the original preparation of the plans.

For this reason, I believe the provision originally adopted by the Senate, but omitted from the final act, was far preferable. This would have provided that comprehensive plans for the Arkansas, White, and Red River Basins be prepared by a special interdepartmental commission, under a chairman appointed by the President, and with participation by the States.

In the absence of such legislation, I shall attempt to assure concerted action and effective planning, so far as that may be accomplished under existing laws. I am therefore issuing instructions to the appropriate Federal agencies to work together in preparing comprehensive plans for these basins, insofar as their existing authority permits, and to invite participation by the States concerned. This should remedy, to some extent, the inadequacy of the present act. But more than this is needed. I recommend that the Congress reconsider the matter, and authorize the type of investigation and planning that would be accomplished under the provisions originally adopted by the Senate.

A second, and even worse, example of inadequate planning provided for in this act relates to New England. The act places responsibility on the Department of the Army to survey the Merrimack and Connecticut Rivers and their tributaries, and such other streams in New England where power development appears feasible and practicable, to determine the hydroelectric potentialities, in combination with other water and resource development. This assignment of responsibility, like that in the case of the Arkansas, White, and Red River Basins, obviously involves the work of other Federal agencies, and of the States, as well as that of the Department of the Army; and those other agencies and the States should participate in the planning work.

In this case, moreover, the act does not specify the several other purposes, aside from the development of power, which should be considered in order to prepare proper resource development plans.

And yet soil, forest, and fisheries conservation and management, stream-pollution abatement, improved domestic and municipal water supplies, recreational development, and other resource problems are all highly important to the future growth of the Northeastern States—New York as well as the New England States—and should be studied together.

Furthermore, the geographical area to be surveyed is not wisely chosen, even from the single viewpoint of power development. It has been understood for years by the New England States and by New York State that some of the power from the St. Lawrence project would be used in New England. It may well be that some of the power sites to be developed in New England should be interconnected with the St. Lawrence or other notheastern power sites in the interest of more power at lower cost for the whole region. But the present act does not even require that this possibility be investigated.

This piecemeal approach is obviously inadequate. I strongly urge the Congress to authorize a full-scale investigation of multiple-purpose resource development, with appropriate participation by all the Federal agencies and the States concerned, such as would be accomplished by the New York-New England Resources Survey Commission I have previously recommended.

In the meantime, although I consider it an inadequate remedy I shall issue instructions to the appropriate Federal agencies to work together and with the States in preparing as much of a combined resource development plan for this area as existing law will permit.

A third serious defect in this act concerns the Pacific Northwest.

Nearly 3 years ago, I directed the Departments of the Army and the Interior to prepare a joint plan for their further work in the Columbia River Basin. They did so, and, among other things, recommended an integrated schedule of projects to be constructed, and a basin account to permit unified physical and financial operation of the several Federal projects to be constructed in the basin.

Instead of authorizing this series of projects and the basin account, the present act merely authorized those projects which were included in the joint plan for construction by the Army Department. It omits all the projects which were jointly recommended for construction by the Interior Department—some of which should be constructed earlier than a number of Army projects which are authorized in this act. The present act also omits the basin account, without which the various Federal projects to be constructed in the Columbia River Basin cannot be combined in a sensible and practical operating system.

I urge that the Congress reconsider this matter at the earliest opportunity, and authorize the missing pieces of the Army-Interior Columbia Basin plan. As I have said a number of times, the Army-Interior joint plan is no substitute for the truly comprehensive resource development which would be made possible by the establishment of a Columbia Valley Administration, but the joint plan would be clearly superior to the partial and inadequate authorizations contained in this act.

Aside from the defects I have already noted, there are two other points on which I wish to comment.

One provision in the act might be construed to vest in the Department of the Army exclusive jurisdiction over the development and improvement of rivers and other water resources in Alaska. Alaska should not be denied the services of other Federal agencies which would normally contribute to the preparation of plans for the development of its resources. Whether this provision will in fact have such a result is unclear at the present time; if necessary, I shall recommend remedial legislation at a later date.

I also wish to make it clear that I consider that certain projects authorized in this act, with a total estimated cost of about 89 million dollars, do not justify the expenditure of Federal funds. The Congress was informed that, in the view of the executive branch of the Government, after careful consideration, these projects were not warranted. Moreover, a few projects have been authorized for construction in this act, at an estimated

total cost of about 12 million dollars, even though the Congress has not received project reports from the executive branch. I consider this to be unwise, and in direct conflict with a provision of this very act which declares it to be the policy of the Congress that—

No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

I urge the Congress in the future to avoid authorizing projects which have not been thoroughly considered or which do not meet sound standards for river development work. We can ordinarily afford to consider new authorizations for such development without haste, since there are already authorized, without this act, river and harbor projects which will take 18 years to complete, and flood-control projects which will take 8 years to complete, at the level of Federal expenditures recommended in the 1951 budget.

Finally, I urge the Congress to develop more satisfactory procedures for considering and authorizing basin-wide development programs. We are a long way still, both in the executive and legislative branches, from the kind of comprehensive planning and action that is required if we are to conserve, develop, and use our natural resources so that they will be increasingly useful as the years go by. We need to make sure that each legislative authorization, and each administrative action, takes us toward—and not away from—this goal.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 22, 1950.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHELLEY (at the request of Mr. HAVENNER), for an indefinite period, on account of illness in the family.

To Mr. GARY (at the request of Mr. HARDY), for an indefinite period, on account of the death of his father.

EXTENSION OF REMARKS

Mr. SHELLEY (at the request of Mr. HAVENNER) was given permission to extend his remarks in two instances and include extraneous matter.

Mr. HART asked and was given permission to extend his remarks and include certain addresses delivered on the anniversary of the birth of Andrew Furuseth, and certain other material.

Mr. EBERHARTER asked and was given permission to extend his remarks and include a letter appearing in the New York Times of Sunday, April 23, 1950, Letters to the Times, a message from five distinguished gentlemen on the matter of a budget for Germany; and further to extend his remarks and include excerpts from an address delivered by Arthur L. Mayer at the meeting of the executive committee of the American Jewish Committee, April 30, 1950.

Mr. HILL asked and was given permission to revise and extend his remarks and include remarks made by other Members of the House.

Mr. STEFAN asked and was given permission to revise and extend his remarks and include several pages from the hearings on the Yugoslavian matter.

Mr. WOODRUFF asked and was given permission to extend his remarks in two instances and include an editorial in one and a newspaper article in the other.

Mr. STEED asked and was given permission to extend his remarks and include a statement by him.

Mr. LESINSKI asked and was given permission to extend his remarks and include an address delivered by him over Station WJR on May 19, 1950.

Mr. LINEHAN asked and was given permission to extend his remarks.

Mr. ELLIOTT asked and was given permission to extend his remarks and include an address by Prof. C. W. Williams, of the University of Alabama, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $246.

Mr. WALTER asked and was given permission to extend his remarks and include an address delivered by Mr. O'Connor, of the Displaced Persons Commission.

Mr. NOLAND, Mr. VAN ZANDT, and Mr. BENNETT of Florida asked and were given permission to extend their remarks and include extraneous material.

Mr. RODINO asked and was given permission to extend his remarks and include an editorial.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 183. Joint resolution to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session; to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 794. An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.; and

S. 2811. An act to amend section 1462 of title 18 of the United States Code with respect to the importation or transportation of obscene matters.

SPECIAL ORDER GRANTED

Mr. SUTTON (at the request of Mr. PRIEST) was given permission to address the House for 30 minutes on Friday next, following the legislative program and any special orders heretofore entered.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 23, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1467. A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of temporary identification tags, and for other purposes"; to the Committee on the District of Columbia.

1468. A letter from the executive secretary, American Chemical Society, transmitting the third annual report of the American Chemical Society, for the calendar year 1949; to the Committee on the Judiciary.

1469. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 16, 1950, submitting a report, together with accompanying papers, on a review of report on the Arkansas River and tributaries, with a view to providing flood protection on Clear Creek at Pierce City, Mo., requested by a resolution of the Committee on Flood Control, House of Representatives, adopted on March 22, 1946; to the Committee on Public Works.

1470. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated April 5, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Lapa River and tributaries, Puerto Rico, authorized by the Flood Control Act approved on August 18, 1941; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 8230. A bill to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida; without amendment (Rept. No. 2118). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 6063. A bill to authorize the Secretary of the Interior to carry out a research and development program with respect to natural sponges; with amendment (Rept. No. 2120). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 1789. A bill for the relief of the Shelby Shoe Co., of Salem, Mass.; with amendment (Rept. No. 2119). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FLOOD:

H. R. 8586. A bill to authorize, for a temporary period, the purchase by the Government of anthracite in amounts sufficient to maintain normal production and employment in the anthracite region, to promote the general national welfare, and for other purposes; to the Committee on Public Lands.

By Mr. FORAND:

H. R. 8587. A bill to amend section 2, Public Law 649, Seventy-ninth Congress, approved August 7, 1946, providing for the disposition of vessels, trophies, relics, and material of historical interest by the Secretary of the Navy, so as to include certain additional veterans' organizations; to the Committee on Armed Services.

By Mr. FORD:

H. R. 8588. A bill to suspend certain import taxes on copper; to the Committee on Ways and Means.

By Mr. MITCHELL:

H. R. 8589. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURRAY of Wisconsin:

H. R. 8590. A bill to amend the act of March 4, 1923, to provide for determinations and reports relating to the manufacture of filled milk in the United States, and for other purposes; to the Committee on Agriculture.

By Mr. SULLIVAN:

H. R. 8591. A bill to provide for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes; to the Committee on House Administration.

By Mr. POWELL:

H. R. 8592. A bill to provide for the rescission of the order of the Postmaster General curtailing certain postal services; to the Committee on Post Office and Civil Service.

By Mr. WILLIAMS:

H. R. 8593. A bill to grant credit under the Civil Service Retirement Act of May 29, 1930, as amended, for annual leave accumulated in excess of 60 days; to the Committee on Post Office and Civil Service.

By Mr. BROOKS:

H. R. 8594. A bill to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the armed forces of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. LEMKE:

H. R. 8595. A bill to authorize the issuance of trust patents in lieu of land-use exchange assignments issued on the Standing Rock Sioux Reservation, located in South Dakota and North Dakota, prior to January 1, 1950; to the Committee on Public Lands.

H. R. 8596. A bill to waive in certain cases the priority of payment of debts owing to the United States in the administration of a deceased debtor's estate; to the Committee on the Judiciary.

By Mr. SPENCE:

H. R. 8597. A bill to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers; to the Committee on Banking and Currency.

By Mr. SCRIVNER:

H. Con. Res. 213. Concurrent resolution to create a joint congressional committee to investigate Federal grant-in-aid programs; to the Committee on Rules.

By Mr. HAYS of Ohio:

H. Con. Res. 214. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred, as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. CUNNINGHAM:

H. R. 8598. A bill for the relief of Mrs. Chisako Shimizu Sheldahl and Ryoichi Shimizu Sheldahl; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 8599. A bill for the relief of Capt. Roy William Montrose Graham, United States Navy; to the Committee on Armed Services.

By Mr. KILBURN:

H. R. 8600. A bill for the relief of Yuriko Aoyama; to the Committee on the Judiciary.

By Mr. LANHAM:

H. R. 8601. A bill for the relief of U. S. Homes, Inc.; to the Committee on the Judiciary.

By Mr. McKINNON:

H. R. 8602. A bill for the relief of Charles L. Pauter; to the Committee on the Judiciary.

By Mr. SCRIVNER:

H. R. 8603. A bill for the relief of James Nels Ekberg; to the Committee on the Judiciary.

By Mr. SHAFER:

H. R. 8604. A bill to provide for the conveyance of the Percy Jones General Hospital Gull Lake Annex, Gull Lake, Mich., to the W. K. Kellogg Foundation, Battle Creek, Mich.; to the Committee on Armed Services.

By Mr. WILSON of Texas:

H. R. 8605. A bill conferring jurisdiction upon the United States District Court for the Northern District of Texas to hear, determine, and render judgment on certain claims of Charlie Joe Starnes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2156. By Mr. HAGEN: Resolutions adopted by the Independent Retail Lumber Dealers Association at Minneapolis, Minn., relative to sundry Government programs and legislation presently pending before the Congress of the United States; to the Committee on Ways and Means.

2157. By Mr. LANE: Memorial of the General Court of Massachusetts, to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

2158. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

2159. By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts, to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

SENATE

TUESDAY, MAY 23, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Samuel Forsyth, officer of British Empire, Minister of Adelaide Central Methodist Church, Adelaide, Australia, offered the following prayer:

Almighty God, in whose hands are the destinies of nations, we pray that Thou wilt bless this Senate. Direct and prosper its deliberations. Lead it in the way of honor, justice, and righteousness.

Thou hast permitted us to increase in power and riches, and hast endowed us with gifts of knowledge and skill and assigned to us a leading place among the mighty nations of the world. May we be mindful of the trust which Thou hast laid upon us and ever be found faithful to Thy cause.

Raise up in all lands noble and upright men to be leaders and counselors of the people, and may rulers and judges and all who bear rule and responsibility exercise their powers as ministers of Thy justice and mercy. Deliver us from evil ambitions and selfish rivalries and false judgments.

We thank Thee for the spiritual relationships that bind the peoples of the free world together in good will and helpfulness.

We thank Thee for what Thou hast enabled us to accomplish for others.

Deliver us, we pray Thee, from the sin of self-righteousness and keep us humble, truthful, and spiritually minded. Help us to serve our day and generation in the spirit of Him who said: "Inasmuch as ye did it unto one of the least of these ye did it unto me." Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 22, 1950, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year