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ADDENDUM TO LEGISLATIVE HISTORY
Stenographic Transcript of
HEARINGS BEFORE THE COMMITTEE ON
EXPENDITURES IN THE EXECUTIVE
DEPARTMENTS - HOUSE OF REPRESENTA-
TIVES - June 27, 1947

ADDENDUM NO. 1 to VOLUME I

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HEARINGS
BEFORE THE
**COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS**
HOUSE OF REPRESENTATIVES

Washington, D. C.

June 27, 1947.

Volume 1

H. R. 2319
UNIFICATION OF THE ARMED FORCES

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Mr. "D" - Col. Grombach

Mr. "E" - Brig. Gen. Hayes Kroner

Mr. "F" - Rear Adm. Thomas Inglis

C O N T E N T S

Friday, June 27, 1947.

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H. R. 2319

UNIFICATION OF THE ARMED FORCES

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FRIDAY, JUNE 27, 1947

House of Representatives,

Committee on Expenditures in the
Executive Departments,

Washington, D. C.

The committee met at 10:00 a.m., pursuant to adjournment, in Room 1501 of the New House Office Building, Hon. Clare E. Hoffman, chairman, presiding.

(Harold B. Alderson, and Olive M. Willeroy, the committee stenographer and typist respectively, were duly sworn by the Chairman as follows:

(The Chairman. Do you and each of you solemnly swear that you will not divulge to anyone, directly or indirectly, any information which you may obtain in either listening to, recording or transcribing the hearings now being conducted, so help you God!

(Mr. Alderson. I do.

(Miss Willeroy. I do.)

The Chairman. The committee will be in order.

We are prepared to hear the first witness this morning in executive session.

STATEMENT OF MR. "A"

Mr. A. I would like to have one member of the CIG present while I make my testimony, because there may be some changes, and he can keep the members of the committee up to date because I have been gone.

Mr. Dorn. I move that he be allowed to stay.

The Chairman. Without any motion, unless there is objection, it will be so ordered.

Mr. Brown. Are we going to record this testimony or not?

The Chairman. We decided that yesterday, but the stenographers have been sworn, and there is one reason in my mind at least for that. I do not care how many executive sessions you hold, there is always somebody talking about it, and my experience has been that when you have 25 men or 10 men, it is impossible for them to get the same story, and you go out and you give a garbled version. It is not my thought that this testimony should be distributed, but there should be a record of it.

Mr. Brown. It would be my suggestion that it be guarded very closely, because it might be testimony that someone might be interested in getting. I think the Chairman should take the responsibility of locking up the testimony and keeping it, and then there is only a question of the use of it.

The Chairman. It is just the same as we have these Secret documents that came up from the Department, and every member of the committee was advised that they were here, and they have been here two months, and I say this, that there is nobody on the committee, so far as I know, that has even asked to see them.

Mr. Brown. I think the Chairman ought to take the responsibility of protecting the record.

The Chairman. I will do that.

Mr. Holifield. I suggest the witnesses who appear in executive session, in view of the fact that their testimony is going to be taken, that a code letter or number be inscribed there and their names in the corresponding code number be kept by the Chairman separately from the testimony itself.

Mr. Busbey. I would second that motion.

Mr. Dorn. I would like to also suggest that if he so desires, the present Director of the Central Intelligence be allowed to sit here all day, if he so desires.

The Chairman. There are some of these witnesses that just will not testify as they would if somebody is here.

Mr. A. I have no prepared statement. I am very glad to answer any questions.

Mr. Wadsworth. To bring this subject up for discussion, I hope in an orderly fashion, if members will turn to page 21 of the House Bill 2319, you will find under the heading of

"Central Intelligence Agency," commencing on line 11, paragraph (c), this language:

"Effective when the Director first appointed under subsection (a) has taken office--

"(1) the functions of the National Intelligence Authority (11 Fed. Reg. 1337, 1339, February 5, 1946) are transferred to the National Security Council, and such Authority shall cease to exist."

Now, that is legislation by reference, unless I am very much mistaken, is it not?

Mr. A. Yes, sir.

Mr. Wadsworth. I have before me a copy of the Federal Register of February 5, 1946, which contains the Presidential Directive, dated January 22, 1946, entitled "Coordination of Federal Foreign Intelligence Activities," and it is addressed to the Secretary of State and the Secretary of War and the Secretary of the Navy.

I am not sure that the members want me to read it all, but it will take about four minutes. He says:

"It is my desire, and I hereby direct, that all Federal foreign intelligence activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security.

"I hereby designate you (those three men), together

with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose.

"2. Within the limits of available appropriations, you shall each from time to time assign persons and facilities from your respective Departments, which persons shall collectively form a Central Intelligence Group and shall, under the direction of a Director of Central Intelligence, assist the National Intelligence Authority. The Director of Central Intelligence shall be designated by me, shall be responsible to the National Intelligence Authority, and shall sit as a non-voting member thereof.

"3. Subject to the existing law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall:" -- and here is what appears to be a recital of the function of the Director of National Intelligence and the Central Intelligence Group -- "the Director of Central Intelligence shall:

"a. Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and

facilities of the intelligence agencies of your Departments."

That would mean G-2 in the War Department and ONI in the Navy Department and an appropriate agency in the State Department. Would that include F.B.I.? It is addressed to their department, and as the Secretary of the Treasury is not included, it probably does not cover F.B.I.

Mr. A. No, sir, but they are a member of the Intelligence Advisory Board.

Mr. Wadsworth. Now, to continue this:

"In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your Departments.

"b. It is your duty to plan for the coordination of such of the activities of the intelligence agencies of your Departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

"c. Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.

"d. Perform such other functions and duties related

to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.

Now, in this next paragraph, 4, Mr. Brown will be interested.

"4. No police, law enforcement or internal security functions shall be exercised under this directive.

"5. Such intelligence received by the intelligence agencies of your Departments as may be designated by the National Intelligence Authority shall be freely available to the Director of Central Intelligence for correlation, evaluation or dissemination. To the extent approved by the National Intelligence Authority, the operations of said intelligence agencies shall be open to inspection by the Director of Central Intelligence in connection with planning functions.

"6. The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence."

The Chairman. Now, right there, we have had testimony on that. Would you mind yielding there on that paragraph 6? As to this Central Intelligence Agency, what was the testimony which we had the other day about confining their activities to evaluating? Is that one of the issues up for us?

Mr. Wadsworth. That was one of the informal discussions with Dr. Bush. We did not go into details. The issue has

arisen, to be perfectly frank, as to whether or not the collection of information should be centralized in the Central Intelligence Authority. That is the issue that will be discussed here today.

The Chairman. That is one of the main issues, is it not? When we come to bring the bill, that is one of the main issues?

Mr. Wadsworth. That is right.

Mr. Dorn. We want Mr. A's opinion on that a little later.

Mr. Busbey. Has there not been quite a little discussion on the central group's activities, too?

Mr. Wadsworth. I know of no member of this committee that is approaching this discussion with any feeling of hostility toward any of the people now engaged in intelligence work, or who have been engaged in it in the past, but in view of this paragraph concerning the existing intelligence agencies of your departments, which are G-2, ONI and the appropriate agency of the State Department, which paragraph reads:

"The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence,"

apparently the issue arises around the meaning and interpretation of that paragraph along with paragraph "c" which directs the Central Intelligence to perform such services of common concern as can be more efficiently accomplished

centrally.

The protest has arisen, or criticism has arisen, to the effect that since this Executive Order was issued on January 22, 1946, it has been followed by other directives or instructions, perhaps not from the President himself, as this was, but from the Central Intelligence Authority, in other words, the three Secretaries.

Secretary Patterson straightened me out on that on the telephone yesterday, and I was wondering about that, and of course, the Authority is going to cease to exist under this bill.

Mr. A. Its place is taken, however, by another group.

Mr. Wadsworth. Now, could you tell us how this thing has evolved and what the present practice is, since January 22, 1946?

Mr. A. In "d" of the President's letter, which you read, is the following:

"Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct."

That was the basis. The Intelligence Advisory Board, which consists of the Chiefs of the three departmental intelligence organizations, State, War and Navy, in consultation with the Director of Central Intelligence, made an

exhaustive study of the best way to centralize, both from the point of view of efficiency of operations and cost, certain phases of the national intelligence.

They all felt, together with myself, who was Director at that time, that a very small portion, but a very important portion, of the collection of intelligence should be centralized in one place. Now, the discussion went on within the Intelligence Advisory Board as to where that place should be.

Mr. Brown. May I interrupt just a moment there? In other words, you proceeded under the theory that this Central Intelligence Agency was authorized to collect this information and not simply to evaluate it?

Mr. A. We went under the assumption that we should inform the National Intelligence Authority, with the setting up of the Central Intelligence Group, on an eminent basis, as was required from us from time to time to advise, because we were the Advisory Board for the National Intelligence Authority; and that part that says that we should "perform such other functions and duties as the President and the National Intelligence Authority may from time to time direct" and "recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the National Intelligence mission" gave us that right.

Mr. Brown. Then, you did not consider that the word

"evaluate" was a limitation on your duty, but this other section was so broad that you could do about anything that you decided was either advantageous or beneficial, in your mind?

Mr. A. Yes, sir.

Mr. Brown. In other words, if you decided you wanted to go into direct activities of any nature, almost, why, that could be done?

Mr. A. Within the Foreign Intelligence field, if it was agreed upon by all of the three agencies concerned.

Mr. Brown. And that you were not limited to evaluation?

Mr. A. That is right, sir.

The Chairman. Now, you are the witness, and maybe it will save a little time if we can do this: Will you tell me just about these two agencies and their functions, just briefly, in a few words? What about the Central Intelligence Group?

Mr. A. That is the operating agency of the National Intelligence Authority.

The Chairman. And the Group does what?

Mr. A. The group operates for the National Intelligence Authority.

The Chairman. What is its business?

Mr. A. Its business is collecting and evaluating and disseminating national intelligence.

The Chairman. Then, what does the Authority do?

Mr. A. The Authority is the directing head, like the Board of Governors.

The Chairman. It is the boss?

Mr. A. Yes, sir.

The Chairman. And these other fellows are, maybe, employees?

Mr. A. That is right.

Mr. Wadsworth. Have you the copies of the subsequent letters or instructions which may have come from the National Intelligence Authority?

Mr. A. No, sir; I have not.

Mr. Wadsworth. I have seen one of them, and I am going to have a good deal of difficulty in remembering, and I may remember it accurately. As I recollect, it contains one paragraph which rather bluntly says that the collection of information shall be centered in the CIG.

Mr. A. I do not believe that is exactly correct, sir. The collection of clandestine intelligence was to be centered there. There is no idea, in the Advisory Board's viewpoint, of stopping either the collection or the dissemination or the evaluation of departmental intelligence.

Now, the difficulty we ran into in the Intelligence Advisory Board was this: It is almost universally agreed that the collection of clandestine intelligence must be

centralized some place; because if it is disseminated among several organizations without one hear, the agents who are operating expose each other. We saw that ourselves during the war in the Balkans.

The British have had their experience, and the Germans in their report of the war indicate that that was one of the causes of their failure. We believe that the Russian expose in Canada had something to do with the numerous agencies up there. Universally, among the heads of the intelligence organizations in the government, the belief is that clandestine intelligence should be centralized.

Then the point came: Where should we centralize it? If we put it in G-2, that made an organization which had particular points of view and priorities responsible for collecting the clandestine intelligence for the State Department and the Navy Department, and that would immediately cause a furor, because neither State nor Navy could have assurance that the proper priority would be given to the collection of their intelligence.

The same thing was true if we put it in State, and the same thing was true if we put it in the Navy Department. Then it came to having an entirely separate organization, but when you have an entirely separate organization, it has such an important part; roughly, the intelligence gained, we believe, is about 10 per cent of the total amount, but it is

the key amount usually.

That key amount, then, has to be very carefully allocated to the place where it will do the most good for national intelligence; and since the Director of the Central Intelligence Group is charged with that, we thought that we should be given the opportunity of employing it and directing it for the benefit of the whole picture.

Mr. Wadsworth. Who compose that Advisory Board?

Mr. A. The Director of Intelligence in the War Department, the Director of Naval Intelligence in the Navy Department and the Director of the State Department Intelligence, and sitting at that Board, also, the Director of Air Force Intelligence, General McDonald.

Mr. Wadsworth. You say the F.B.I. had no part in it?

Mr. A. I cannot recollect whether they were there at that meeting or not, sir.

Mr. Wadsworth. And did the head of G-2 and the head of ONI agree to this proposal?

Mr. A. Yes, sir.

Mr. Wadsworth. That clandestine intelligence and the collection of that intelligence should be centralized in CIG?

Mr. A. It was unanimous. We have never presented to the National Intelligence Authority, while I was over there, anything from the Intelligence Advisory Board unless we had

attaches, particularly.

Mr. A.. When we first took over, and that, I think, mainly is South America that pertains to your question, sir, we went to Mr. Hoover and explained to him the reason. We then asked him how he felt about turning over his legal attaches.

Mr. Wadsworth. That is in South America?

Mr. A. Yes. Mr. Hoover stated, as nearly as I can remember, that he had a new and tremendous load in this country, that his people had been very carefully trained and that he had a very great use for them in this country, due to his new obligations here domestically. With that in mind, I went to see Admiral Leahy and explained that instead of taking over immediately, so that we could get all clandestine intelligence under one hear right away, that we would have to procure and train carefully on a progressive basis our own people, and those people who voluntarily came from the F.B.I. with the desire to join the Central Intelligence Group.

Because of Mr. Hoover's added responsibilities in this country and because he had spent so long training these people, we decided that we would not take anyone who came to us asking if we would hire them, if he had at that time a connection with the F.B.I.; because he made it very plain, Mr. Hoover did, that he had desperate need of these people. However, in some instances, these people resigned from the

unanimous consent, so that everything that has been put out by the National Intelligence Authority, as an order, has had unanimous consent from the three heads of the government intelligence agencies.

Mr. Wadsworth. You must remember that you are speaking with greenhorns in all of this; but how do you define "clandestine intelligence" or describe it?

Mr. A. "Clandestine intelligence," I would think, general coverage could be described by that intelligence that is obtained through the use of agents who operate to gain intelligence in other than an overt manner.

Mr. Holifield. In foreign or domestic fields?

Mr. A. The National Intelligence Authority and the Central Intelligence Group have nothing whatsoever to do with anything domestic; so whenever we talk about the Central Intelligence Group or the NIA, it always means foreign intelligence, because we have nothing to do with domestic intelligence.

Mr. Holifield. That was my understanding, and I wanted it confirmed.

Mr. Busbey. Mr. A, may I ask what use has been made, if any, of the various intelligence men in foreign countries that were employed by the F.B.I. during the war?

Mr. A. Do you mean foreign nationals, sir?

Mr. Busbey. Yes, the men that were known as legal

F.B.I. and came to us. When they had resigned, without any indication on our part that we would hire them, and asked for a job, we employed them. That number was comparatively few. We thought that we should do our best to protect Mr. Hoover and his added responsibilities, so we leaned over backwards to be sure that we were not proselyting.

Mr. Busbey. Now, I understand that an order has gone out to dissolve the clandestine or secret intelligence of G-2 that was carried on during the war.

Mr. A. Yes, sir. When we talk of clandestine intelligence run by G-2 during the war, we are talking of a small, tremendously small, operation that is conducted under contract.

The coverage of the Central Intelligence Group, in order to perform its function for National Intelligence, has got to be tremendously expanded, and is today tremendously expanded from that small operation run by G-2 which was done on a basis of hiring somebody to do it without the control being centered in G-2, the way, in my opinion and in the opinion of the Advisory Board, it should have been.

It cost us more to run this very small and, in my opinion, inefficient organization than it has cost us to run a much wider organization that is very closely controlled, and we have our own people who control the funds and who control the allocations of priorities. We have our finger on every man through a series of localized people in control, instead

of having it hired out to somebody.

Now, I can understand very easily why many people who were on this gravy train will object, but I am sure that the intelligence chiefs who are concerned and the Director of Central Intelligence, who is responsible in the final analysis for a good foreign intelligence, has got to get more for his money.

Mr. Busbey. Has there been any effort by CIG to bring any of this group of G-2 into Central Intelligence at all?

Mr. A. Yes, sir. Before the order went out, I had the group chiefs, and this is confidential, sir, I had the people who had been hired by this commercial concern come to me and say that they desired to work for the Central Intelligence Group and would be very happy if we would take it over.

Unfortunately, because it was not closely guarded and because it was not closely controlled, my people in a bar room one day were given the addresses and the names of some of these people. Obviously, those people we could not take over, and I am sure that the committee would not want us to.

Mr. Wadsworth. Who gave them the names?

Mr. A. My operative was in the bar room, and hearing two girls and two men talking about their operations in French, after they had gone, went up and struck up a conversation with the bar tender and got more dope on these people

than we believe should have been available to him. We can say that that can happen to us, but at least we are responsible, and not another agency, that we hire to do this thing, and if we find it, we can take corrective measures.

I might add that this clandestine intelligence, the fact that the Central Intelligence Group should operate it, was presented to the National Intelligence Authority, of course, and otherwise we could not have done this, and that it was given to the Central Intelligence Group with their blessing. All of the intelligence heads, I think, State, War and Navy, are agreed that this should be centralized.

Mr. Dorn. I just want to know if Mr. A wanted to comment on whether or not he thought the head of the new Central Intelligence Group under this bill should probably be military or civilian. If you care to comment on that, I am sure the members would be glad to hear you.

Mr. A. I believe I stated before in my opinion, it makes not one bit of difference, except for this fact: Initially, the military are very loathe to trust their top secret information to someone over whom we do not have the ability to penalize by court action if they divulge some of this. We do not have an official secret agent with teeth in it, but we do have within the Army and the Navy the ability to court martial anybody.

The Chairman. Might I ask there if that is your fear?

And if that be true, that large numbers of our people are afraid of the military authority, we could remedy that easily by incorporating a provision, could we not, for the divulging of information?

Mr. A. Yes, sir; but my point is that no matter what law we make, there is always going to be, for two or three or four or five years that feeling. Now, if we can put a military person in there initially and let him organize this thing and let the flow of information get fully established, after that period it makes no difference whether it is civilian or military, and the information will continue to flow.

I think that today if you appointed a civilian, you would get just as good, but he would have to work under slightly greater difficulties initially.

The Chairman. You want the man where you can grab him and take care of him if he does something that he should not?

Mr. A. Initially, yes, sir.

Mr. Manasco. Along that line, it is my idea that it is probably wise now to have our military men at the head of this department, but would you object to an amendment to the bill providing that, say, in the next 8 or 10 years the person at the head of the CIA must be a civilian, and that will give you an opportunity then to take the civilian and train him like Mr. Hoover was trained and make a career man of him? A change every four years weakens our intelligence.

Mr. A. I would prefer not to see it written in. It is now left up to the President and Congress under this bill to pick the man, and if he happens to be a military man, I think they ought to be free to put him in.

The Chairman. Do not you realize that there is a fear among a great number of our people that there are too many military men getting in? For instance, Marshall is Secretary of State and so on down, and everywhere we look, we see an Admiral or former military man.

Mr. A. Yes, sir.

The Chairman. Would not the law work better and be more acceptable if the fears, justified or not, on the part of the people were sort of allayed?

Mr. A. I anticipate, Mr. Chairman, that after Admiral Hillenkoetter, who the Secretary of War has stated to a Senate Committee intends to make this a career, that after him, I would anticipate that probably the next man to be appointed would be a civilian; I would just guess that.

Mr. Manasco. How old is he?

Mr. A. Fifty-one years old.

Mr. Manasco. He retires at 62, does he not?

Mr. A. Yes.

Mr. Manasco. We would have to make this 11 years, we would not want to destroy his retirement benefits or ask him to retire from the service.

Mr. A. There would be no particular advantage, because the fear and the danger of his serving a short time and then going out is obviated, if he is going to spend those 11 years, he might just as well spend it as a military man or as a civilian.

Mr. Manasco. He would not have the same retirement benefits if he were going to be forced to retire from the Navy and take it over as a civilian.

Mr. Holifield. I would like to ask this before I leave. How long, in your opinion, do you think it would take to get this organization running smoothly?

Mr. A. In connection with the civilian, sir, or just running smoothly?

Mr. Holifield. With your military man, presuming that we have a military man at the head of it.

Mr. A. That would have to be a guess on my part; yes, sir.

Mr. Holifield. Would you say five years?

Mr. A. We have first got to get the Central Intelligence Group out of the minds of the people and the papers, and it has got to be accepted as a going concern by the Congress. Once that which causes humps and ripples in our progress is smoothed up, then I would guess two to three years, possibly four to five years. I would say the organization would be a very smooth running and efficient, in that time,

efficient organization. It takes time, however, to start something that we are 400 years behind times on today, and we cannot expect, if we are going to compete with these others, regardless of how smart the American people are, that we can do it in less than two or three years.

Mr. Wadsworth. Now, that you have centralized collection of clandestine information in CIG, has that involved the employment of new groups of agents?

Mr. A. The clandestine field, sir, is a very complicated one, as it is very difficult, and it takes hours. I have spent days going through the ramifications of it. Roughly, the way it works is that you have an expert in the clandestine field, or as near an expert as the United States has, and who we can hire for the money that we can pay. He goes out.

Mr. Wadsworth. You are speaking of a civilian?

Mr. A. Yes. In a few instances, there happens to be a military person who is particularly qualified, one or two or three, but the majority of these people are civilians who did, however, operate during the war, many of them in uniform.

They go to a certain locality and live in that locality and build up an acquaintance and then know the politics and the intrigue that is going on in that nation. They pick a man, after very careful study with records back here,

from what we know in G-2 and the Navy and State and from friends, and they start him out as a nucleus. He then builds a chain of people that he knows.

Then, we have to have another man picked, in whom we have full confidence, that builds a chain alongside, who is just watching him. Then you have to keep these two people and their reports to make sure that this man is not giving you information and receiving pay from a foreign government. Then, this man who has established this is pushed out in front here, and he then has a contact back with what we call the letter box or the place through which we get this information; and the man who originally set up the net ostensibly has no connection with any person or any department of the government. That is what we term a "cut-out."

That is a very rough description of a very difficult business, and a somewhat confusing explanation of this business. But, it is not a thing for contract operation, because the chances of the United States Government in peacetime getting in tremendous difficulties, behooves us to keep it right under our thumb; and you cannot keep it under your thumb if you are contracting for it.

I do not care how good the contractor is, he has not the same interest in it that the people who are responsible to the Government must have.

Mr. McCormack. Have you stated what a contract operation

is?

Mr. A. That is where you hire somebody who thinks he is a very fine sleuth and who can establish nets, and you give him a lump sum, several hundred thousands of dollars, and tell him to go get you information in a certain area, and then you back off and wait for the information to come; and you hope it is good.

Mr. McCormack. Who would the contractee be? Could you give us an illustration of who you contact?

Mr. A. Some chap who comes into the office and tells you that he can get some companies lined up and some people in these companies lined up, and he has already got agents in these companies and he is paying them, and he would be very glad if you would give him \$500,000 a year; and he will start rolling the information in to you, but you have no assurance.

In some cases, it is excellent; and in some instances, you have to take it with a grain of salt, and you do not know whether it is good or not. You have no control over it.

Mr. McCormack. This may be a person who is a citizen of another country?

Mr. A. He might very well be. It might very well be that that man is paid by another government and is feeding you the information that that government would like for you

to have.

The Chairman. Is there any way to avoid that?

Mr. A. Yes, sir; have it run by a central, American agency who have their finger on every piece of money going out and have local controls by your own people.

The Chairman. That assumes that you cannot be deceived?

Mr. A. No, sir; it does not. We can be deceived, and we can have infiltration within our ranks. My point is that it is much easier for us with this type of control in which we are interested, rather than contract it to somebody else and let him carry on without our knowing about it.

The Chairman. If you said the gamble would be less, I would agree with you. And there are many losses that you cannot help.

Mr. A. That is right, sir. However, when it happens to us with this cut-out, this man who is the man who is in contact with this, is told that if he gets in trouble, we wash our hands of it. For that reason, his pay has got to be fairly good, because his throat is cut and we wash our hands of him, and we say we know nothing about him.

The Chairman. If we assume that your CIG is going to collect the information and the other agency is to evaluate it, would you say what, if anything, is wrong with the language in this 3979, on pages 8 and 9, especially paragraph (3) on page 8? This is a bill that went in the other day as

a suggestion from many men in the departments.

Mr. A. I would comment on that this way, Mr. Chairman: That under the other Bill that we have been looking at where it says "transfer the functions," in each case, there is over the top of this organization a group of people whose integrity and whose interest in national intelligence, because of their position, must be of the highest.

The Chairman. That is the Secretaries of State, War and Navy?

Mr. A. That is right. Now, under this new bill, it becomes the Security Council's job to take the place of the National Intelligence Authority; and those people, it seems to me, if it seems expedient to them, after going through all of the explanation of what the intelligence people think best, if they think that it is better for the Central Intelligence Group to operate for clandestine intelligence, I would suggest from my point of view it would be better to leave the door open.

Now, if they feel that the Central Intelligence Group should be out of that field, either the National Intelligence Authority today, or the National Security Council tomorrow, if the bill passes, can stop it, and they can put it in another agency, and they can do anything they want.

The Chairman. My question assumed that the CIG was going to be the collecting agency and that the other group

was not to collect the information. I am asking you to assume that to be true. Is there anything in that language, especially this, "Provided that they shall have no internal-security functions, and the responsibility and authority of the departments and other agencies of the Government to collect," and so on, up to the top of page 9? It states that that shall not be affected.

Mr. A. I very strongly advocate that it have no police, subpoena, law enforcement powers or internal-security functions.

The Chairman. What about the next proviso, down on line 25, "Provided further, that the responsibility," and so on?

Mr. A. I would like to leave the word "fully" out, because I do not think the Director of Central Intelligence can possibly protect intelligence sources and methods.

The Chairman. You mean "fully" on line 5?

Mr. A. Yes, sir.

The Chairman. What about if that is out then?

Mr. Wadsworth. What I am asking for is comments on the proviso commencing on line 25 and going up to the first three lines on page 9.

The Chairman. That is what I am asking him about.

Mr. A. I approved that, provided we cannot get in there and transfer the functions, which I believe is essential.

The Chairman. Repeat that answer, please.

Mr. A. Provided that in here, also, the functions are transferred.

Mr. Judd. As they are in the other bill?

Mr. A. That is right.

Mr. Brown. That is one of the weaknesses in this bill that we have before us. Nobody knows what those functions are. They have been read here as a matter of an executive order, issued by the President, which in the opinion of many constitutional lawyers is questionable as an authority; but it can be changed at any time without the consent of Congress.

I mean by that, all the President has to do is rescind an executive order to amend it, as they have done thousands of times during the war. We had so many floating around that the air was filled with them. And one of the big questions in my mind is whether or not we should not set forth in the statute, as a law-making body is presumed to do, what the functions of an agency it creates may be.

Mr. A. I would agree with that, except for this one point. Today we are, in spite of some of the testimony that you may hear after I leave here, we are tyros in this game of foreign intelligence. We are trying to overcome in two or three years sometimes hundreds of years of experience.

People will tell you that we know all of the answers and this is the right way to do it. I do not believe that

there is anybody in the United States today who can tell you that; and I would prefer to let this thing grow in the hands of people who are primarily interested in getting this intelligence, and with the safeguard that you cannot build a Gestapo, because after all, all they are trying to do is get intelligence.

Mr. Brown. You can write these functions in the statute and you can change them?

Mr. A. I do not think anybody knows.

Mr. Brown. You should leave it as flexible as possible, so that the President can change it at any time he wants to?

Mr. A. The Security Council, sir.

Mr. Brown. But the Congress as the people of the United States, or the representatives of the people, have a duty and a responsibility to guarantee the protection of those people and their rights and privileges under the Constitution.

Mr. A. That is true.

Mr. Brown. We are supposed to say what an agency of the Government can do.

Mr. A. If we had had the Central Intelligence Group 300 years ago, or 200 or 150 years ago, we could come in and tell you what, in our opinion, was our best advice on how those functions should be delineated. I do not think that we can do that today.

Mr. Brown. Can you not tell us as the changes are

necessary, just like any other agency of the Government comes in and says that they need a change?

Mr. A. That is right, but there is a danger for the next two or three years, while this thing is being established of not allowing it to expand in the field of national intelligence; and I would say if Congress two years from now would ask the Director of Central Intelligence what the limiting functions of this should be, that he can come up with a good answer. I feel sure in my own mind the committee would approve.

Mr. Brown. But it is your opinion that the President can be more easily sold, or that as you go along, that you can sell the idea of a change to the President easier than you could convince the committee?

Mr.A. No, sir; it is more difficult to get the action.

Mr. Brown. It is more difficult to get to him. He has less time to give to the study of the subject than the members of the Security Council or the members of this committee.

Mr. A. The Security Council, I believe, are going to have this problem with them from day to day. They are the only people, or, they are the people who are going to control the operations of the Central Intelligence Agency.

Mr.Brown. You think we should delegate to a Security Council, then, the authority to fix functions and to change

them as they may see fit, which might possibly endanger the rights and privileges of the people of the United States?

Mr. A. No, sir; I do not think there is anything in the bill, since it is all foreign intelligence, that can possibly affect any of the privileges of the people of the United States.

Mr. Brown. There are a lot of things that might affect the privileges and rights of the people of the United States that are foreign, you know. Now, one of the great complaints that we have now is that there are too many of us.

Some of that has been entered into, and commitments and arrangements and agreements made through secret diplomacy, and we have drifted along and are a long way from "open covenants openly arrived at," which was the theme of the Woodrow Wilson doctrine; and it is just a question of how much control Congress wants to keep as the representatives of the people and how much they ought to know about it.

It has been my experience, believe it or not, that on important matters, as far as patriotism is concerned, that you can trust the patriotism of members of Congress just about as far, and perhaps a little further, than you can those in the departments of the Government.

Mr. A. I agree with all of that.

Mr. Brown. Certainly, there were a number of men, some in this room, who knew the secret of the atomic bomb effort;

and yet, there was never a leak from Capitol Hill on that thing. Some of them took their futures in their own hands and authorized an expenditure of funds in matters of that kind; and if the thing had not worked, it would have wrecked those men.

There are all kinds of confidential matters up here. I cannot understand, for the life of me, why we cannot write the functions in and why, if it is necessary to change the functions, we cannot pass upon it as the representatives of the people and decide whether those functions should be changed or not. Your ideas, or the ideas of the Security Council, might be entirely different from the ideas of the men and women who are elected to represent the people.

Mr. A. Yes, sir. Well, if Congress feels that something should be written in there, I would certainly provide for clandestine intelligence being done by the Central Intelligence Group.

Mr. Brown. I am not so sure but what you are not right on that.

Mr. A. Then, if that is done, you are tying the hands of the Security Council, if they decide that the Central Intelligence Group should not be doing it. I do not think anybody knows today.

Mr. Brown. You can come here and get a change if you can convince them that it is in the national interest.

Mr.Dorn. I believe that is what was largely wrong with our intelligence, that you had some politics in it, and you appointed diplomats overseas that just drank champagne and knew how to take care of women and could not find out any intelligence.

Mr. Wilson. Mr.A, it is your idea that since this is new and we are exploring in a field that we have never been very proficient in, that things might come up in the mind of the Security Council which would demand a change of policy immediately, is that true?

Mr. A. That is true.

Mr. Wilson. And in that case, perhaps Congress would be in adjournment for six months?

Mr.A. That is right.

Mr. Wilson. And it would take two or three months after Congress met to get the bill through, as is ordinary, and I think that is right, because the Congress will want to explore it and want to go into all angles of it. Your idea is that temporarily and for the present that this authority should be granted to the Security Council?

Mr. A. Yes, sir.

Mr.Wilson. Now, what is England's experience? They have been pretty good diplomats in world politics. What have they done with respect to the collection of intelligence out of one agency?

The Chairman. Before you answer that, you said "temporarily." What did you mean, that that should be written into the bill?

Mr. Wilson. No. I get his point in that for the next two or three years we are exploring a field about which we know very little, from experience.

The Chairman. He said "temporarily."

Mr. Wilson. I understood Mr. A to say that two years from now, after Admiral Hillenkoetter has an opportunity to explore this field and know something about it, he can then tell the Congress what the absolute duties and functions of the Department should be, whereas, at this time, from experience, we have not had the experience so that any man could sit down and delineate it out on a piece of paper and say, "Here is what it ought to be."

Mr. Busbey. Is it your idea that we ought to put in a limitation as to date, maybe two years hence, so that we can take a look at it at that time?

Mr. Wilson. Both as to this and as to the civilian head, I think there ought to be some limitation on it myself.

The Chairman. That is the point that I had in mind, and I understood Mr. A to agree with you that that should be a temporary authority. As I said, are we to write that into the bill giving the limitation?

Mr. A. My feeling is that the limitations, as transferred from the President's letter, are sufficient to protect the

people of the United States; but that is my personal opinion, and that in the hands of the Security Council the collection of foreign intelligence can be properly administered and will be given enough of a broad policy in order to set this thing up, so that we will have, some day, real national intelligence.

I can see no reason for limiting it from my point of view at this time.

The Chairman. Will you read back the question where I interrupted?

Mr. Wilson. That is true, what I said, generally speaking. In so far as this basic function or the basic functions of this department are concerned, Congress two years from now could amend this bill in any way they saw fit, whether there was any time limit in it or not. There was nothing to prevent them from amending it, whether the department agreed to it or whether the President agreed to it.

Mr. A. That is correct.

Mr. Wilson. And if he vetoed the bill, we could override, as they have done in the past.

Mr. A. That is right.

Mr. Wilson. Now, my other question was with regard to the collection of intelligence, clandestine intelligence. What is the experience of England along that line?

Mr. A. The experience of England is to have it all

concentrated in one place.

Mr. Wilson. Have they always had that?

Mr. A. They have had it as far back as I have looked at it, which is prior to the war.

Mr. Wilson. Prior to both World Wars?

Mr. A. Yes, sir.

Mr. Wilson. What other countries, that you think of, have not had it and have been defeated? I believe you said Germany attributed somewhat their defeat or failure to greatly spread out intelligence. That is by intimation.

Mr. A. German agents have stated that they held information from an adjoining agency because they were afraid that that agency would get credit rather than their agency if they gave them the information that they had learned. Therefore, instead of a free flow of all of this information, each agency was a rival of the other, withholding a lot of pertinent information that might have made a whole picture.

Mr. Rich. Is this agency used in any way as a propaganda agency?

Mr. A. No, sir.

Mr. Wilson. How is your best work attained, secretly? You do not like to have it in the newspapers?

Mr. A. No, sir.

Mr. Wilson. This has been in the newspapers too much already?

Mr. A. Yes, sir; unfortunately.

Mr. Wilson. In other words, your statement about that is that these separate agencies, when they gather and collect information, they are all human and they like to get credit for it back home?

Mr. A. Yes, sir.

Mr. Wilson. It is not a question of disloyalty, but they want the folks to know that they did so and so, and it is much like the esprit de corps between the Navy and the Army?

I doubt that there is a service now in the United States where they do not think that they contributed more to winning the war than any other department, and that is natural, if they took any part in it at all, and that is what you are speaking of?

Mr. A. Yes, sir.

Mr. Wilson. In other words, you have this information coming in and it is disseminated, and all departments have access to it and it can be evaluated by the proper authorities?

Mr. A. Yes, sir.

Mr. Judd. I would like to have your comment on just a half page here that I got from a man who worked in the OSS during the war and is now a Governor of one of the states, a very able man. He very strongly opposes this in its present form. He said that Section 0202 perpetuates the

evil of bad organization by placing this agency under a committee of the Secretaries of State, War and Navy, and makes administration even more difficult by placing it under a committee of six in the National Security Council. Under such an organization the efficiency and independence are impossible. It is not a central agency, but a joint agency. Nothing in intelligence will be accomplished, I am convinced, unless the agency has relative parity of status. It should, I think, report for administration and direction to the Secretary of National Defense and advise with the Security Council." That is point number one.

Then he reads another point. Would you care to comment on that?

Mr. A. Yes, sir. The trouble that I have been able to gather is, the position of the OSS at one time where it reported directly to the President was that it got out of tune with the Joint Chiefs of Staff, and instead of being an aid to them often was just the opposite. The Joint Chiefs very often were having things going on where they needed enough say-so in this organization so that the information on which they were going to plan this, or the operations of the OSS which they should have let go forward, actually did not contribute as much as if there had been a closer liaison.

I think that that liaison is established by the Director of Central Intelligence and the Advisory Board, which

consists of the three chiefs of the intelligence agencies, State, War and Navy.

Mr. Judd. You do not think, for example; and I will put it this way, that the Munitions Board is directly under the Secretary of National Defense, and the Research and Development Board is directly under the Secretary of National Defense, and do you think intelligence deserves a parity with them?

Will not it get more attention paid to its reports and beliefs and views if it is on a parity with them, with direct access to the Secretary of National Defense?

Mr. A. It would if it was the sole intelligence agency of the Government, and I do not believe in its being that. It operates in a large measure with the information that it has gathered from the State, War and Navy Departments. Unless there is a common meeting ground, a common viewpoint of the problems rather than an arbitrary one, it cannot attain its highest point of success, in my opinion. It would be much easier to operate and administrate in that capacity, but I do not think it would fulfill its mission as efficiently as under the present set-up.

Mr. Judd. Let me read this second thing here.

Mr. A. Another point has just been made, that it places it directly under the military establishment, and in the Security Council, it also has its counterpart of the

State Department, having its say in this. That will completely obviate the State Department's point there.

Mr. Judd. I recognize that, but we have been in trouble up to our ears more than once because the State Department and the defense establishments did not work together.

Mr. A. That is the very primary purpose of this, it is to get them all in there together and present the common point of view and get the common information.

Mr. Judd. But Intelligence reports to this joint board, and they do not get together, and the Intelligence falls by the wayside, does it not, or could it not?

Mr. A. Under this proposed legislation, I think the Secretary of National Defense can wield enough power so that it will come to a decision. I think that that is the purpose of a strong Secretary. The voice of the other people, however is heard.

Mr. Judd. That is what I want, your last point there. I think the Secretary of National Defense or National Security ought to on this matter of intelligence have power to move, even though the National Security Council might be divided on something.

Mr. A. It is my understanding that he has that anyway, as being head of the Security Council.

Mr. Judd. He is chairman, but he might be out-voted in the thing or there might be a split in it.

Mr. A. I do not think that there can be a split, but if he is out-voted, then that is probably correct.

Mr. Judd. Let me read the second part of this. This gentleman says most emphatically:

"The Director should be a civilian. The experience of the last few months shows the complete futility of placing other than a civilian in charge of the Central Intelligence Agency. A man from the services will be subjected to pressure for his own particular branch. Unless he is a weakling, he will ardently desire to leave Intelligence. He will never wish to make a career of the securing of intelligence.

"In the past 15 months there have been three heads to the Central Intelligence Agency. Under the set-up in the bill as now it will serve as a stop-gap position for officers being moved up to other assignments. Intelligence today is not primarily military. It is political and technological, as essential in peace as in war. No career officer is likely to look on it this way."

I would like to have your comment on that. He is the man who has been immediately in charge of the prototype for the first experimental efforts in this field.

Mr. A. I feel that up to this time, the change of directors at Central Intelligence has been a healthy thing.

Mr. Judd. Three times in 15 months?

Mr. A. I think that is right. Now, we have gotten the diversified ideas of Navy, Army and State, and we have had different people viewing this, and it has been shifted and tried with new points of view, which has been very healthy in its formative stage.

Mr. Judd. You would not recommend that as a regular policy?

Mr. A. If that continued, it would be very detrimental. I pointed that out, I believe, when we appeared before the Senate Committee. At that time, however, Mr. Forrestal, Secretary of the Navy, stated that Admiral Hillenkoetter intended to make this a career. From that viewpoint, I think that he is a very fine choice to head this organization, and I agree with what the gentleman said in the letter, if you will take it from this time on.

Mr. Judd. Is the Admiral going to resign from the Navy or will he just be a Navy officer assigned?

Mr. A. I do not know, sir.

Mr. Brown. These other gentlemen have to catch these planes, and I think we ought to excuse Mr. A and perhaps call him back, if necessary.

The Chairman. Very well. You are excused, and we thank you.

Will ends

Whom do you want next?

STATEMENT OF MR. "B"

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Mr. B. My status is as a civilian, a lawyer, and I have no government connections or tie-ups, and I have no relations with any of these particular agencies.

During the war, about the time of Pearl Harbor, a little after Pearl Harbor until November of 1945, I was associated with OSS first in New York, and then abroad in Switzerland, and then after VE day in Berlin. I retired from war work in November of 1945, and as I say now I have no tie-up or connection of any kind. I have no special interest to support or defend, in any one of these particular agencies.

Mr. Brown. I think that you have been a little modest in your statement. I think that you were really the top man overseas in the undercover set-up of the United States.

Mr. B. That is very flattering for you to say that. I do not present any such claim myself. I was fortunate enough to select a place, Switzerland, which afforded unique opportunities for doing this type of work. I had ten years in the foreign service, from 1916 to 1926 in the Diplomatic Service, and I happened to be in Vienna when we went into the war in 1917. I then was transferred to Switzerland, and they would not let me get into the Army, and I spent the first World War in Switzerland, and I was able at that time to get an idea of intelligence operations directed against a country like Germany.

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From that experience I felt myself when this war broke out and I was too old to go into the armed forces effectively that Switzerland was the place where I could render the best service, and I got into Switzerland the day after Switzerland was closed to the outside world by the German invasion of the Southern part of France or the occupation of the Southern part of France, after our landing in North Africa.

So from November of 1942 when that occurred until September of 1945, we there in Switzerland were entirely closed off by the Nazis and the Fascists, and the only way we could communicate of course with the outside world was by radio.

Working there in Switzerland I developed operations directed into all of the countries around Switzerland, Germany, occupied France, Fascist Italy, and had a certain measure of success in penetrating the German Intelligence Service, the German Foreign Office and certain other of the German agencies.

Mr. Judd. Is it not true that Admiral Canaris, Hitler's top man in intelligence, was your agent?

Mr. B. That is going a little far. I had working with me several of the men in Canaris' organization, and I was in direct touch with Canaris, especially with General Oster who was Chief of Staff and in charge of his intelligence.

Mr. Judd. Then it is too much to say he was your agent,

3. but he was giving you intelligence, and he and his men were assisting you?

Mr. B. That is correct. About 10 percent of the OPBER, as it is called, was involved. And by the way, gentlemen, there is a good deal of publicity indicating that the OPBER was solely a military organization. That is not correct. The OPBER in Germany, which was the counter-intelligence or the central intelligence German agency, operated under the old WEAVA, that is the Joint Chiefs of Staff under Kitel, and it did not operate under either the Army or the Navy or the Air Force. It operated under a central organization.

That organization was constituted somewhat like Bill Donovan's organization, the OSS, in the sense that it brought in civilians, lawyers and business men, young fellows in the army, and it was recruited in that way.

About 10 percent of the OPBER or German counter-intelligence became anti-Nazi. They became disgusted with Hitler's tactics, and they opposed Hitler's activities against the Russians and his treatment of the Russians and as a result it was possible to penetrate the OPBER. As you probably know, the top five men in the German intelligence service were all executed as traitors, that is Carnaris and Oster and several others.

Mr. Judd. There was good reason for that?

Mr. B. Yes, they were traitors in the German sense,

4. there is no doubt. Two of the men worked with me. They were attached to the German Consulate General in Zurich, and working directly for Carnaris and Oster, and they furnished information to me of a very valuable nature.

I think we received some of the first information we had about the German development of the guided missiles, and some of the first clues that led us to the bombing of Petermunde, and things of that kind came from men in the German Intelligence Service working with us.

Mr. McCormack. Could we get down to the point and ask Mr. B the pertinent questions the committee wants, because his time is limited.

Mr. Bender. Did you study this bill?

Mr. B. Outside while I was sitting there, sir. I have read the two bills, and I have read H. R. 3979, is that the bill that you have in mind?

Mr. Bender. What are your comments regarding that?

Mr. Judd. H. R. 2319 is the original bill.

Mr. B. I submitted comments, and I think that they are printed in the record with regard to Section 202 of that bill. I was somewhat critical of that draft, sir. I feel that the important thing if we are going to build up an Intelligence Agency is permanence. We have got to make sure that the fellow that goes in there as head of the Central Intelligence Agency is going to stick to it. This is a

5 not of one year but of five or ten or fifteen years. I think J. Edgar Hoover's prestige and the prestige of his organization is due to the fact that he has been there for twenty-five-odd years. That is true, I think, with the British Intelligence Service, too. The fellow that has been there, I think has been there for twenty-odd years. It takes time.

Now, I do not think, and I believe therefore that the person who acts as head of that agency should act in a civilian capacity. I do not say that he should be a civilian, I mean he should become a civilian, and make that his life work and not look forward to promotion in the Army or the Navy or the Air Corps.

It might well be that the best person to head up that agency might have had military training up to the time he takes that job, but when he takes that job it is like going into a monastery. He has got to devote his life to that, and to nothing else. I see that the provision in the last draft has been changed to that.

Mr. McCormack. We are considering H. R. 2319.

Mr. Bender. Would you like the new provision better than the old one?

Mr. B. Yes, provided it does not exclude anyone who has had military training up to that time, and I assume that it would not. I assume if a military man was prepared to resign, he might be appointed.

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I think, however, if you did that, it would be fair that retirement provisions and other prerequisites of that kind should not be lost by anyone who has been in the Armed Forces and who is willing to devote his life thereafter to the intelligence work.

Mr. Manasco. If Congress repealed that Act, you would not want to prevent him from going back in the service with the proper advancement in grade that would have come if he had stayed in?

Mr.B. I do not think I would put any prohibition on that. I think it is a pity if the fellow that does that feels after two or three years he can go back and be an admiral or vice admiral or the other. That is unsettling. The President has got to be satisfied that when a fellow goes into this job that he is going to make that his life work and perform his duties to the satisfaction of the Authority under which he works.

Mr. Manasco. I was thinking now, since we have no civilians in this type of work, we should have for the next 10 years a military man as head of it, if he continues to serve from now on and does not go back to the Army.

Mr.B. I would not affect his retirement, but I would make him operate as a civilian while he is there. Later he may want to resign if there are provisions for his going back in the service, but I am skeptical about that because

I am afraid if you open that door too wide, you are going to defeat the essential purpose we are trying for.

Mr. McCormack. I do not think there is too much disagreement, except at the outset, Mr. A felt that there might be a military man at the outset.

Mr. B. I have the highest regard for Mr. A and the others, as far as individuals are concerned. They are men of a very high type.

Mr. McCormack. What would be your opinion at the outset?

Mr. B. I think that you have got to start now, if you are going to develop this thing, and develop it with the utmost seriousness; and the fellow that takes it on, who is appointed now, I think ought to make it a life work.

Mr. McCormack. Do you think the CIG should do collection work?

Mr. B. Yes, I do. I would like to get into that point, and I realize it is a contentious point, and it is a difficult point, and there are arguments on both sides. There is a lot of misunderstanding about secret intelligence.

In the first place, secret intelligence and clandestine intelligence is only one relatively minor segment of the whole intelligence picture. You say it is 25 per cent or 20 per cent, and I do not know how much it is. There are several branches of secret intelligence, and some one agency has to do that. I think it is impossible to continue with a series

of agencies engaged in the work of secret intelligence. You are going to cross wires, and you are going to find that these various agents will become crossed. You will find that, because it is a very delicate and difficult field which requires the greatest amount of coordination. I do not know where else it can be put.

I do not think it should be put either exclusively in the State Department or in the War, Navy or Air Departments. I think I would allow those agencies, with the approval, or possibly under the direction of the Central Agency, to continue certain operations, as I would certainly want to see a very strong agency built up on the subject or in the field of scientific developments in the atomic bomb.

I feel very strongly that there must be a central directing agency of that with the power to do the secret collecting, using such agencies as that Central Agency desires, including its own. That has been the experience of most other countries.

Now, there is the criticism about security, but I know in Switzerland it was perfectly feasible to work it out with, I think, complete security. I carried on 15 or 20 operations at the same time, but those operations, no one of them, if it was uncovered, would affect any other operation. It does not mean because you centralize the secret intelligence operations in the new agency that you are breaking down security; because if that is properly handled, the various chains that

may be developed in the field will have no connection whatever and will not know, themselves, what any other chain is doing.

However, if you have four or five agencies of the government operating in different countries, and you know which of the different countries are the difficult countries, in this delicate line of work, I am afraid that you are going to have great confusion. There is one other field in which the collection is very important and has been, I feel, neglected. We cannot get our intelligence solely from our diplomatic people and our military and naval attaches or from the agents that a Central Agency should send out.

American businessmen and American professors and Americans of all types and descriptions who travel around the world are one of the greatest repositories of intelligence that we have. Now, the task of getting that intelligence should be centralized. I know what confusion there has been in New York, for example. If you have three or four agencies going around to certain corporations and to certain institutions and trying to get intelligence from them, they close up like a clam. The only way to work this thing out, and I think it is one of the most wonderful sources we have, is to put up one central agency and give them an exclusive right and have it clearly understood by these private gatherers of information. They gather it in the course of their own business, and they can look to one agency, and one agency only, and

hold that one central security agency responsible to keep the complete security of the information they turn over.

I should think in the collecting field, in what we might call the clandestine collecting field, Americans who have no official connection with the Government would furnish quite a high percentage of the valuable intelligence.

Now, I am a firm believer in the theory that G-2 and ONI and the State Department should, of course, continue their collection, but I do not think that any one of those bodies should run secret agents or have secret chains. I think that you ought to centralize that. Now, it might be in a given situation that the Director of Central Intelligence would find that a military operation of a sort was essential. Then, he would turn to the G-2 and say, "Who have you who can do this?" I would not cut them out of the field, but I would have their operations centralized and controlled by one central body.

The argument has been raised, and I have read it, that if you have both the functions of collection and analysis and reporting, that you are likely to put undue weight on the information you collect yourself as against the information that comes to you from other agencies. Well, that is a human failing. I think if you have a good man, that is not the case. Personally, I would not, myself, put a tremendous amount of weight on clandestine intelligence. It has got

to be proved before it is any good.

Mr. McCormack. But you have to have it.

Mr. B. Yes. In Switzerland I was finally able to get a contact in the German Foreign Office, who brought out to me the original telegrams from the German Foreign Office. Well, once we had proved that this fellow was not a double agent and was not planting things on me, that became an invaluable source.

Now, that kind of clandestine information, after it is proved up, is of great value. It all depends upon the ability of the men there at the top. If there are human failings, if they put too much weight on one thing as against another, well, they are just falling down in their job. Somebody has to do that, and I would not feel that it would be wise to reject the idea of the Central Agency handling clandestine work merely on this ground. I think it is absolutely essential that the Central Agency have no policy attributes of any kind.

There, I think you get into a real vice, and I think that that is somewhat back of Pearl Harbor. They ought to get the facts as best they can, and they ought to analyze those facts and then present those facts to the policy people; because where you have the people who are both interested in policy and collecting facts, you always warp the facts to suit the policy that you are trying to promote.

I have seen that in my short career in the diplomatic service. You have an ambassador who has a certain policy; you do not get any facts by him that do not fit that policy. That is a natural failing. We must avoid that in our intelligence work by having the policy entirely separate from the fact gathering.

Mr. Wadsworth. Under this bill the policy would be in the National Security Council?

Mr. B. And would be apart from your collection, would it not?

Mr. Wadsworth. Yes.

Mr. B. They would control the Central Intelligence Agency.

Mr. Judd. I raised the question whether they should be under it or report directly to the Secretary of National Defense.

Mr. B. I think the State Department ought to play a larger role in that. I do not think the report ought to be solely to the military or to the National Defense side.

Mr. Judd. Or the direction by the National Defense side?

Mr. B. I have a little criticism in this draft as to the Central Security Council. Is that what is called?

Mr. Judd. It is called the National Security Council.

Mr. B. From the point of view of an agency to control

your intelligence work, it was a bit over-weighted on the military side. I think that that is all right in time of war. In time of peace, the bulk of your intelligence is of use to the State Department. I should say over 50 per cent is such. Also, is this body really going to meet and really going to operate? You ought to have a small body to whom your Director of Intelligence should report, to whom he can get quickly.

Mr. Dorn. I think that you are right about that.

Mr. Judd. It consists of the Secretary of State, Secretary of National Defense, Secretaries of the Army, Air Force and Navy and the Chairman of the National Resources Board and such other members as the President may designate from time to time.

Mr. B. I personally like the present set-up, as far as reporting is concerned, a little better than that. As I recall, at the present time the Director of Intelligence reports to the Secretary of State and the Secretary of War and the Secretary of the Navy and Admiral Leahy. Do not make this he reports to so big and so unwieldy that it will never operate, because your Director of Intelligence has got to have a small body and a very small body to whom he can report and a body that will meet and will give him guidance.

Mr. Judd. That is what I was afraid of, that there were too many heads, and he would put up his information and it

would be dissipated and nobody would take any action on it.
I do not know. I am just raising the question.

Mr. B. Of course, he will as a matter of routine, I assume, daily have relationship with all of these departments, with the State Department and the Department of National Defense and disseminate his reports as they come in; but he needs a body to whom he can report.

Mr. Bender. Are you scheduled to be on your way somewhere?

Mr. B. Not for half an hour. Do you adjourn at 12 o'clock?

Mr. Bender. The Chairman asked me to adjourn the meeting at 12 and to reconvene at 1:30. However, I think since Mr. B. is here, we ought to hear him.

Mr. Boggs. As a private citizen, sir, and with your experience in this field, do you have any suggestions or do you think there is a necessity of putting in additional safeguards on this Central Intelligence Agency to protect us, as citizens of the United States, from what this thing might possibly be or develop into?

Mr. B. I do not really believe so. You mean having a Gestapo established here in the United States?

Mr. Brown. Will you clarify that question? May I just add this? Under this Act the authorities and functions of the Central Intelligence Agency would be based entirely

upon an Executive Order issued by the President which could be changed, amended or revoked or anything else at any time.

Now, the real question comes down to whether or not we should write into this Act the limitations and restrictions or define the functions and the activities in which they should engage, rather than depend upon a rather nebulous thing called an Executive Order, which is here today, but may be gone in three minutes, if the President decides to sign some other paper.

Mr. B. I would prefer to see the Congress, not in too much detail, however, define the nature and functions of the Central Intelligence Agency.

Mr. Boggs. On that point, I would like to say something. First, let me ask you one question. When you refer to incorporate by reference this proclamation to which Mr. Brown is referring, are you not pinning that down and making that a part of the law as it then is?

The President could not change it the next day. You are incorporating by reference something which is and it becomes a part of the law, when you read the law. Otherwise, you could change the law if you wish every five minutes, could you not?

Mr. Brown. You can change it every five minutes, and some of the Executive Orders were changed almost that rapidly during the war. I know some that were changed four or five

times in 30 days.

Mr. Hardy. He can change it under that order.

Mr. Wadsworth. I do not think so.

Mr. Brown. Regardless of that question, the point is this: Why should you have to hunt up a Federal Register and look back under the date of a certain day, February 5, 1946, and see what that was, when it ought to be in the statute books and as a part of the law that you draw? That is my argument.

Mr. B. Is there not a good deal of question of interpretation as to what that Executive Order means? I have seen it debated back and forth as to whether the Central Intelligence Agency did have the authority or not to do its own collecting.

Mr. Boggs. You think we should pin it down, then, to put it in the statute; but it is the responsibility of Congress to definitely pin it down?

Mr. B. I would think so. That would be my idea, within certain limits. I would not try to be too specific. It is a delicate field, and you cannot be too specific, but I should think the broad, general functions should be defined.

Mr. Wilson. May I ask a question?

With the provision in the bill that the activities of the Central Intelligence Bureau are confined out of the limits of the continental United States and in foreign fields,

do you think that that would tend to confine their activities?
How could they raise a Gestapo in this country with that?

Mr. B. I do not think there is any real danger of that.
They would have to exercise certain functions in the United States. They would have their headquarters in the United States.

Mr. Wilson. But their activities would not be here, would they?

Mr. B. We have lived along with the F.B.I. pretty well, and I do not think it is a Gestapo; and if the F.B.I. has not become a Gestapo, it seems to me that there is extremely little likelihood of any danger here. The field is different. They have no police powers, and they should have no police powers. They cannot put their hands on a single individual.

Mr. Wilson. My understanding is that this bill takes that right away from them, any police power or anything else within the confines of this country. Their operations are foreign, except to disseminate information, of course.

Mr. B. They cannot exercise police powers.

Mr. Wilson. It is a secret situation. Let us not try to rule anybody.

Mr. Busbey. Mr. B, I think I would like to have your comments on this: It seems to me one of the weaknesses in the Central Intelligence Group set-up at the present time is that they operate just a little bit differently than the

F.B.I. The F.B.I. is on duty with a staff 24 hours a day, around the clock, 365 days in the year. Now, comes Friday night, why most of the Central Intelligence Group goes home like all of the other Government agencies, and they have a very meager skeleton staff operating on Saturdays and Sundays. Do not you think that they ought to have a provision there where they operate continuously like the F.B.I.?

I have one other point. They do not operate, as brought out, in the United States. For instance, here on a Saturday some foreign agent takes a plane out of Paris for LaGuardia Field. He lands there on Saturday. Well, any agent of that kind has to come under the F.B.I. in this country. They drop him when he leaves France, and I do not think the present set-up is adequate to handle the situation. Then they follow him here in the United States for whatever period of time he has here, and then he probably would go to Mexico. Well, the F.B.I. drops him at the border and some other department of Central Intelligence picks him up down there in Mexico.

Mr.B. On the first point, I would think they would have their staff work 24 hours a day. That is a question of administration. On the second point, I believe thoroughly there must be a close coordination between the new agency and the F.B.I., and I think that that has been working pretty well as far as I know.

You are perfectly right that if the Intelligence Service picks up a dangerous agent and finds he is coming to the United States, that ought to go to the F.B.I. like that, and the F.B.I. ought to pick the fellow up or watch him when he arrives. Then, if he leaves this country, the F.B.I. ought to notify the Central Intelligence Agency that he has gone. That is a question of coordination, and I believe with the right kind of people, there is no reason why you cannot have close cooperation between this agency and the State Department and the G-2 and the ONI and the F.B.I.

If you have that, you have something; and if you are going to have all of these agencies fighting among themselves, you are not going to get anywhere.

I know in Switzerland there was a little area where we had our duties absolutely divided up, and the Minister, Leland Hartison, you know, was there; the military attache was there, and we never had five minutes' difficulties. We all did what we were supposed to do, and we pooled our resources and our work and our reports when it was desirable, and the thing worked. It can work. It is a question of the human element.

Now, G-2 is essential, and ONI is essential, and the State Department is essential; and they ought not to be affected, except that I do not think any one of these agencies is very anxious to get into this difficult and delicate

clandestine field, and I believe we should go into it very slowly and very quietly and very carefully, because it is new to us.

The British have developed it, and in my opinion, the British have saved themselves several times by their Intelligence Service. That Zimmerman telegram which was used against the Germans in the first war may have saved Britain. That was a Secret Intelligence operation.

Mr. Dorn. I have a high regard for the British Intelligence System. Just to whom does their Central Intelligence Agent report, in order that there would be no delay in the information getting to the proper people?

Mr. Bender. Are there any other questions?

Mr. Wilson. Mr. A said, with regard to this Executive Order, that we were new at this business, more or less, that the British, of course, have had theirs through hundreds of years. He said the reason that he would prefer not to have the basic functions set out now is that we have not had experience enough to know what basic functions to put in the bill. He said after two or three years or after this thing is synchronized and gets to going, it would be proper, he thought. What is your idea about that?

Mr. B. I defer a great deal to Mr. A's judgment. He is a very wise man, I think. I would believe that a middle ground would be desirable. I think the general nature of

the functions should be stated, possibly then there could be added such additional functions as the President, on the recommendation of the National Security Council, should, within the scope of these general definitions, assign to the Agency.

That is, I would not want it too much tied down. Do not tie it down too much, but on the other hand, do not leave it so vague that nobody knows who is going to do clandestine intelligence and so forth and so on.

Mr. Wilson. I agree with you there, and I agree with the thought that this blanket authority should not be granted ordinarily, but in this particular case, I just wondered if Mr. A and you, since you could not just put your finger on it, thought there might be some changes necessary. If we have a Congressional statute that absolutely ties that Agent, the Security Council or no one else could change it. For instance, if Congress was in adjournment and some change, some absolutely essential change was necessary, immediately, to make it work properly, you can see what it would require. It would come back to Congress next session and get that authority.

Mr. B. I think that there is phraseology that can handle that. I think that you can define, in a general way, these functions and leave a certain amount of latitude to expand.

Mr. Manasco. Mr. B, would not the language to "evaluate or disseminate intelligence" cover almost anything in the world that they wanted to do?

Mr. B. But, then, you get into the question of what is to be the relationship with the others.

Mr. Manasco. So far as giving CIG authority to gather intelligence, that language could not be expanded on any by Congress.

Mr. B. I was looking over this. I do not know what the status of the other bill was.

Mr. Bender. It was introduced by the Chairman of the Committee because certain recommendations were made by individuals appearing before the Committee, I understand.

Mr. Manasco. I think that language would include everything in the world.

Mr. Judd. The question is whether you should have some limitations on it. You would have three things. You want the objective and, second, its power and, third, the powers it does not have.

Mr. Manasco. Limit it to foreign countries, of course.

Mr. B. There is one little problem there. It is a very important section of the thing, the point I raised there. In New York and Chicago and all through the country where we have these business organizations and philanthropic and other organizations who send their people throughout the

world. They collect a tremendous amount, not being agents or doing anything, but doing their job. They collect a tremendous amount of information. There ought to be a way of collecting that in the United States, and I imagine that would not be excluded by any terms of your bill.

Mr. Manasco. The fear of the committee as to collecting information on our own nationals, we do not want that done, but I do not think the committee has any objection to their going to any source of information that our nationals might have on foreign operations. Is that your understanding?

Mr. Wadsworth. Yes.

Mr. Manasco. They could go to Chicago and talk to the presidents of some of the machinery firms that have offices all over the world.

Mr. B. That must be done.

Mr. Manasco. I think we would have no objection to his getting on a plane in France and following a man around the United States.

Mr. Brown. He might follow one or two of these boys that we brought over to see how we did the war work.

Mr. Judd. As to Russian agents in this country, only the F.B.I. watches them.

Mr. Boggs. Might I ask one question? In view of your experience, sir, would you contemplate that this Central Intelligence Agency, to set it up, would require a lot of personnel here in the United States? Would it develop

into a large bureau, or how large a bureau would it develop into, in operations in the United States?

Mr. B. I do not believe in a big agency. I know I was happier in Switzerland when they could not send anybody to me from the United States than I was after the frontier opened up; and I did a lot of work because I was not bedeviled with administrative problems. I could do better with ten people than I could with fifty. On the evaluation side there, you require a certain number of people. On the side of collecting business information, I should think that a couple of dozen people throughout the United States could do it, two in New York, one in Chicago and one in San Francisco.

You ought to keep it small. If this thing gets to be a great big octopus, it should not function well. Abroad, you will need a certain number of people, but it ought not to be a great number. It ought to be scores rather than hundreds.

Mr. Boggs. Thank you very much.

Mr. Bender. We deeply appreciate your coming here, and certainly it is kind of you to do so. We have great respect for your opinion.

Mr. B. This is vital, you know. It is terribly important for our national security. I want to leave that as a last word.

Mr. Bender. You are for the general bill?

Mr. B. One hundred per cent. I think the language

should be studied a bit; but as to the general functions, I am back of it one hundred per cent. I think it is vital.

Mr. Brown. You are talking about the provisions on Central Intelligence, and you are not discussing any of the rest of the bill?

Mr. B. No.

Mr. Dorn. I was greatly reassured here by Mr. A's testimony that in his opinion, before any future Pearl Harbor attack materializes, they would know about such a thing in sufficient time to prepare against it; and is that your opinion, that if this thing functions properly, any potential attack can be known sufficiently in advance?

Mr. B. It is your best insurance. That is all that I can say. I was put up before the OSRD, and they said to me, "Do you think we would know if some people across the seas had prepared an atomic bomb and were ready to drop it on us?"

Mr. Dorn. It was Mr. A's opinion that he could, and he left it open.

Mr. Judd. There is nothing more important than knowing if that is right.

Mr. B. This is the best insurance that you have.

Mr. Bender. Gentlemen, we are adjourned until 1:30 this afternoon.

(Whereupon, at 12:15 p.m., the Committee recessed to reconvene at 1:30 p.m.)

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AFTERNOON SESSION

(Albert J. LaFrance and Franklin S. Milberg, Jr., the committee stenographer and typist respectively, were duly sworn by the Chairman as follows:)

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The Chairman. Do you, and each of you, solemnly swear that you will not divulge to anyone directly or indirectly any information which you may obtain in either listening to, recording, or transcribing the hearing to now be conducted, so help you God?

(Mr. LaFrance. I do.)

(Mr. Milberg. I do.)

The Chairman. We will now hear the first witness this afternoon in executive session.

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STATEMENT OF MR. G.

Mr. G. I am a graduate of Cornell University, 1919, and was in the first World War very briefly. In the second World War I came down shortly after Pearl Harbor. I was commissioned and in December got into G-2 where I was concerned with European affairs, first the African branch and then the Southern European branch, and then all Europe and became a specialist in Balkan affairs.

After VJ day I was transferred to the Joint Chiefs of Staff, became secretary to the Joint Intelligence Committee of the Joint Chiefs of Staff, and then was mustered out in January 1946.

After that I was asked to undertake a study on intelligence for the Military Affairs Committee of the House of the Seventy-ninth Congress, and I spent five months studying this subject of intelligence during which time I saw something like 30 different generals and a great many technicians in addition to a great many men with whom I had worked closely in the Army Air Forces, both in G-2 and while with the Joint Chiefs of Staff.

As a result of the five months' study, I wrote for the House Military Affairs Committee a pamphlet, which with a very few minor changes, was approved by the Committee and published December 17, 1946, entitled "House Report No. 2734."

The Chairman. House Report No. 2734 will be made a

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part of the record at this point.

(Report referred to is as follows:)

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Mr. C. It presents as concisely as I knew at the time or even today what my thoughts are on this subject.

Now, I saw people ranging all the way from generals down to sergeants and obviously they are not all very happy about this report. I still think it is the best I could have done at the time.

Mr. Harness. Is it a public report?

Mr. C. Yes, it is a public document.

Gentlemen, I think that this bill which is before the House so far as the intelligence is concerned could with very few changes be made a very excellent document.

The Chairman. About what are you talking now?

Mr. C. The intelligence section, H.R. 2319.

Mr. Judd. Have you studied the Senate bill?

Mr. C. Yes, sir.

Mr. Wadsworth. What is the page on your bill?

The Chairman. Page 7.

Mr. C. The principal difficulty with H. R. 2319 is that it is impossible to understand the sections dealing with intelligence without a copy of the Federal Register of February 5, 1946. I have tried to get copies of that Federal Register, and it is a very difficult thing to do. I can imagine people out through the country reading the new law who do not have a copy of this Federal Register, and without that it is absolutely meaningless because everything that the central

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intelligence agency is supposed or entitled to do or not to do appears in that original Presidential directive.

Mr. Karsten. You do not desire people to know what you plan to do?

2

Mr. C. Yes, it is in the Presidential directive which was also a public document and has been published.

Mr. Karsten. You say it is very difficult for you to obtain a copy of the Federal Register?

Mr. C. That is correct.

Mr. Karsten. A foreign agent would have no difficulty in obtaining a copy of the Federal Register. A foreign agent could get it easily out of the Federal Register.

Mr. C. That is true. The foreign agent knows about this thing. I am simply discussing the law as it was originally planned, and incidentally I helped to write the original directive signed by the President on January 22, 1946. I was at that time secretary of the Joint Chiefs of Staff and Admiral Sowers was engaged in writing a Presidential directive that would be from his point of view more useful to the nation as a whole than the one that had been prepared in the State Department.

The Chairman. Will you put in the record at this point whatever you think is necessary, so that we or people out in the country may understand what we are trying to do?

Mr. C. Well, on page 2 it says:

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"(c). Effective when the Director first appointed under subsection (a) has taken office--

"(1) The functions of the National Intelligence Authority (11 Fed. Reg. 1337, 1339, February 5, 1946) are transferred to the National Security Council, and such authority shall cease to exist."

However, that is meaningless unless you have a copy of the Federal Register.

The Chairman. Do you wish to put in the record what that is?

Mr. C. Yes, sir.

Mr. Wadsworth. I read nearly all of it.

The Chairman. Half of them are not here.

Mr. Judd. Your point is that if the functions are going to be transferred in total, they ought to be copied in the bill?

Mr. C. If this becomes the law of the land and a man three years from now wants to know what the law is, he looks this up and he says, "We will have to get a copy of the Federal Register in order to interpret this law; I do not know what it means."

Mr. Harness: He may have to go to the Congressional Library to get a copy of the Federal Register.

Mr. C. That is right. I have found that very few people to whom I have talked have seen a copy of the Federal Register.

The Chairman. We will put right here where you mention it the President's original directive.

(The directive referred to is as follows:)

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Mr. C. It is the President's original directive. I participated in writing this directive.

Mr. Judd. Is it not the same thing as we have here, the letter of January 22, 1946?

Mr. C. That is right, except that is the official document.

Mr. Manasco. It is the same language?

Mr. C. That is right. If this is the first time that this document has been exposed, it is the first time that the regulations under which the Central Intelligence Agency is operating have been under discussion.

On the whole this is a very reasonable document.

For instance, it has ten paragraphs.

The first one directs the Intelligence Agency be planned, developed, and coordinated to the best effort. There is nothing wrong with that.

The second paragraph says that they shall assign persons and facilities from the State, War, and Navy Departments, and the Director of Central Intelligence to be appointed by the President will sit as a non-voting member.

The third section says what the Director shall do:

"(a) Accomplish the correlation and evaluation of intelligence . . . "

Mr. Judd. Do you interpret that as including collection?

Mr. C. No, sir. If I may say so, Admiral Sowers, with

fn-8 whom I lunched two days ago, remind me that the word
"collection" was in there and was in the first draft and after-
3 wards taken out.

(Reading) Shall "accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national intelligence policy. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your departments.

"b. Plan for the coordination of such of the activities of the intelligence agencies of your departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such overall policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

"c. Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally."

The minute they gave them the right to perform services of common concern that gave them a loophole through which they drove to greatly expand their functions, as they were originally designed, as I think I can show in a moment with

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documentary evidence.

The Chairman. Let me interrupt you there. Under Section 3(b) it does require, does it not, the continued existence of the departments?

Mr. C. There is nothing wrong with 3(b). That is mine. You mean the existence of the departments, of their own intelligence organization?

The Chairman. Yes.

Mr. C. It is taken up later and emphasized. Later on in the same directive you will find it definitely nailed down.

The Chairman. What I was trying to get at was that we have here in Section (3) on page 8, line 25:

"That the responsibility and authority of the departments and other agencies of the Government to collect, evaluate, correlate, and disseminate departmental intelligence, shall not be affected by this section."

That is practically the same thing, is it not?

Mr. C. I have not seen the new bill.

The Chairman. That is the same as this number (b), is it not?

Mr. C. I certainly agree with that. The responsibility of the departments to collect, evaluate, correlate and disseminate departmental intelligence should not be affected by anything.

The Chairman. Should it be in the bill?

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Mr. C. Yes, sir.

The Chairman. It is under (b)(2). It was written in as carefully as we knew how to write it in at this time.

Mr. C. Please let me interrupt. This is a very tricky thing. It took four months' study and three years' experience to catch on to this. It seems so simple now.

Mr. Karsten. At the time you prepared the executive order, could not we have written a law at that time and not written an executive order?

Mr. C. I wish you had, but I will tell you, there is quite a story behind that. Do you want to go into that now?

Mr. Wadsworth. I think it would be better for you to follow your discussion of this Federal Register.

Mr. C. Paragraph (a) accomplish correlation; (b) plans for coordination.

(c) is the first evidence of performance by the NIA and they are entitled to perform services of common concern.

(d) perform such other functions and duties as the President and the NIA may from time to time direct. That was put in to protect the same type of thing that Senator Wadsworth was talking about. If you outline what an organization is to do originally, then an emergency comes along, you are hooked. This was put in because we said, after all, we are a group of men and maybe something will happen that we cannot possibly envision. It will have to be done in a hurry.

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"4. No police, law enforcement or internal security functions shall be exercised under this directive."

That was not in the original draft and was written in on the insistence of the Federal Bureau of Investigation.

Paragraph 5 says that intelligence in the various departments shall be freely available to the Central Intelligence Group for correlation, evaluation or dissemination . . . operations of said intelligence agencies shall be open to inspection by the Director of Central Intelligence in connection with planning functions.

It does not say that Central Intelligence shall go out and do things themselves. It says they shall tell others what to do and they should plan on operations.

The Chairman. It is your idea they should not?

Mr. C. Should not engage in operations themselves but they should coordinate and plan the activities of others.

The Chairman. But should not collect?

Mr. C. No, sir.

Mr. Judd. They should hire other agencies to do the collection for them?

Mr. C. They should use the existing departments of the Government of which there are plenty. At the time you have the Navy Department, War Department, State Department, Federal Bureau of Investigation, Atomic Energy Commission, Department of Commerce, and the Department of Agriculture, and it is

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pretty hard to imagine a subject that cannot be properly handled by experts in their various fields. Conversely, it is beyond imagination to think that any central group shall have so many varied experts in its own shop that it could possibly handle all those subjects.

Mr. Harness. How many of those departments and agencies of the Government which you have just referred to operate beyond the limits of the United States?

Mr. G. The Department of Agriculture for one, and during the war G-2 was greatly concerned over the ability of the German people to continue to eat and we wanted to find out how long the food was going to last over there. There was no use making that study in G-2; there were no experts in G-2. We went to the Department of Agriculture and after three or four months of hard work by people who knew the crop conditions in Austria and Germany and the Ukraine, who knew what fertilizer factories there were in that area, by using the best brains of the Department of Agriculture, they came up with the answer, if things went on the way they were going the Germans would be starving this summer. That report was presented to a gentleman who said, "Let the bastards starve," and by accident he is the same man who the last few months has been trying to find food to feed the Germans.

Mr. Harness. If you are going to have these various agencies operating, are you going to overlap in many instances

fm-13 and operate independently of each other with the central organization asking for information from the Department of Commerce while perhaps agents of the Department of Agriculture might be operating in the same field?

Mr. C. It is quite possible that that may happen. I am sorry that intelligence is involved in such bureaucratic work like evaluation, dissemination. Evaluation means taking a piece of information and deciding whether it is right or wrong. How can you decide? The only way you can evaluate is to compare it with other information on the same subject. If you have no other subject, no other information with which to compare it, you are unable to evaluate that, therefore you must have a certain amount of overlapping and you must have a certain amount of duplication in order to do a decent job of evaluation.

5 When I was in the Italian part of G-2 we got a report that there was a plot being hatched against Mussolini, they were going to throw Mussolini out and put Bagdolio in. We threw that report aside for the simple reason there was not another piece that would even a slight indication that would be true. Two months later it happened. You can see if we had had a little overlapping in that particular instance what a useful piece of information that would have been and what use it would have been to us at that time.

Mr. Holifield. You have set up a criterion to evaluate

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information as to whether it is right or wrong. I think there are other factors determining whether information is useful or not.

Mr. C. True, of course, I mean the mere fact that some thing is true might not be useful at all.

Mr. Holifield. Timeliness is a factor.

Mr. C. Timeliness is an important factor, quite true.

Mr. Holifield. Do you mean to say that because you had no other information on this one subject you would arbitrarily throw it aside because you had no other information on that subject with which to compare it?

Mr. C. I am just saying what happened to that information. It seems fantastic at the moment, and I am sorry it was not used.

Mr. Judd. Just like it is fantastic for the Japanese to bomb us.

Mr. Hardy. You mentioned a good many of our Government agencies which collect information. You mentioned the Department of Agriculture. Of course, none of that information in that case which was received from the Department of Agriculture was clandestine information?

Mr. C. I doubt it, but there is no reason why it should not have been. Information on agricultural products can come by clandestine means.

Mr. Hardy. The point which I was trying to get at here is,

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are there any agencies of the Government other than the Army and Navy operating in foreign countries that do secure information in a clandestine way?

Mr. Manasco. You will find the Department of Commerce does.

Mr. Hardy. In a clandestine way?

Mr. Manasco. They get a whole lot of information that would be considered clandestine.

Mr. G. I happen to know of one Government agency that has a clandestine operation.

Mr. Hardy. That was all I wanted I wanted to clear that up.

Mr. G. A great deal of information is gathered clandestinely which could be gathered in the open. Sometimes it is a matter of geography. If it is readily available openly, there is no sense in having a clandestine operation. The Department of Agriculture might want to know for some reason how the crops are doing in the Ukraine. I see no reason why the Secretary of Agriculture should not ask the Director of Central Intelligence to get the information for them.

Mr. Hardy. I see no reason for securing any information in a clandestine manner that could be secured otherwise.

Mr. G. That is right. The more you do, the danger to security is that much greater, so let us do only what is essential and necessary and do not let us flood the field with

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amateurs who are liable to disclose or, as we say it, "blow a fuse."

Mr. Hardy. On this matter of intelligence would you not agree that it is well for us to separate our thinking with respect to clandestine information and information that is secured in a normal manner?

Mr. G. I do not think so, if I may say that. I have done a lot of thinking on that subject and you always come back to this: Either you believe in a principle that the Central Intelligence Agency shall or shall not engage in operation or you do not believe in a principle and the minute you do not believe in a principle, the minute you say, "Yes, it is all right for them to engage in clandestine operation," then you do not really believe in the principle. I happen to believe in the principle, and I think it doubly dangerous for a central organization, or for an organization that does not engage in ordinary operation, ordinary collection operation, to engage in clandestine operations, and I do not know any better way to put it. As a friend of mine, an expert in G-2, said, "Evaluation has no sex appeal, and this Department of Agriculture stuff carries a kick." Everybody wants to do it, they just love to do it. Once you get started in it, you lose all interest in your normal operation. You forget everything else you are supposed to do because you get excited. Clandestine intelligence is intelligence like anything else. It has to be evaluated, it

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has to be compared. The mere fact that you got it through a secret organization does not make it one tiny bit better than any other intelligence.

The Chairman. To use an illustration, in the enforcement of the law you may go to your police officer, but everyone of us knows that the milkman and iceman will get you a lot of information that you will not get any other way.

Mr. C. It is sort of a clandestine operation.

The Chairman. Certainly, back door staff.

Mr. C. Now, to come back to this. It is explained in sections (a), (b), (c), and (d) what the directors shall do. Then it says the organization shall have no police function. The Federal Bureau of Investigation insisted on that. Then it says the intelligence in the department shall be freely available and the operation shall be open to inspection in connection with planning. Further, it says that existing agencies shall continue to evaluate, if you look back at this thing, this thing is addressed to the Secretaries, and it charges them with continuing to collect, evaluate, correlate and disseminate departmental intelligence, and actually the use of the word "collect" in paragraph 6 is the only use of the word "collect" in this whole document.

Now, we get down to 7. It speaks of an advisory board that should be active, then it goes on to paragraph 8 and it says:

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"Other departments and agencies of the executive branch of the Federal Government shall furnish such intelligence information relating to the national security as in their possession, and as the Director of Central Intelligence may from time to time request."

It does not say he should go out and get it for himself. It says the department shall furnish it to him.

Then it says no investigations and finally it says he is responsible for security.

Again, to sum this thing up, it reveals that the Director of Intelligence shall accomplish correlation, evaluation and dissemination of intelligence affecting the national security. He shall plan for the coordination of activities; he shall establish overall policies and objectives. The directive states that the director shall make full use of the staff and facilities of the existing organizations. The directive charges the Secretaries to their own agencies shall continue to collect, evaluate, and disseminate all activities.

Mr. Judd: He says he shall make full use of the departmental agencies. Does that mean he can direct them or control them?

Mr. C. Yes, he can control them, coordinate them.

Mr. Judd. For example, G-2 is operating in the War Department. He can send a directive to the Secretary of War saying that they shall have G-2 do so-and-so and they have got to do it.

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Mr. C. I think so.

Mr. Judd. The Secretary of War cannot overrule him.

Mr. C. In the first place, he has to have permission of the NIA to do it. I will show you in a moment how it works in practice.

Finally, the other agencies are required to furnish information in their possession to the Director of CIG. It says he should obtain these from the other agencies. On the face of this I think it is a pretty good directive. I think it has two faults. It contains a loophole and the loophole is in Section 3(c) and Section 3(d). 3(c) permits the Central Intelligence Agency to perform for the benefit of said intelligence agencies, such service of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally. Section 3(d) is a similar loophole, but has not been used as yet.

Mr. Riehlman. Why would that be a loophole?

Mr. C. We have a bill if made into law says this describes the functions of the Central Intelligence Agency. When you get down to reading it, you find it does not at all, you have to have the Federal Register with it to understand it. When you finish reading and studying the Federal Register. You find that is meaningless, too, because they have changed it.

The Chairman. Instead of taking the law as written, when we draft this why do we not take such provision out of this and

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put it in there?

Mr. C. I appreciate the question. It would be my recommendation to drop out Section 3(c) and Section 3(d) and leave the rest of the directive as it is.

The Chairman. That is not my point. My point is that instead of any act referring to the Federal Register, put such portion of the Federal Register right there in the law as we want to be law.

Mr. C. In my opinion you are 100 per cent correct. In other words, reprint this directive as law but dropping out Section 3(c) and 3(d).

The Chairman. What is Section 3(d)?

Mr. C. That loophole that says if at some future date the President wants to direct him to do something else, he can do it.

Mr. Judd. You do not think it should be in there?

Mr. C. I personally would be inclined to leave it in.

Mr. Manasco. He could do it without that in there.

Mr. C. I don't know. The directive keeps saying all this has to be done consistent with available law.

Mr. Busbey. Would you say that Section 3(c) and Section 3(d) are contradictory, or at least they are giving a certain authority to two different, shall we say, agencies?

Mr. C. That is one way of analyzing it. In other words, in Section (c) it says that the Central Group can do anything.

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the want to provided they get the National Intelligence Authority permission. Section 6 specifically charges the Secretaries of State, War, and Navy with maintaining their own intelligence departments to collect, evaluate, correlate and disseminate departmental intelligence.

Mr. Busbey. If Section 3(c) should be left in there, there should be a clarification as to the duties.

Mr. C. Yes. May I demonstrate that with another document here? Am I permitted to bring up a top secret document at this meeting?

Th. Chai man. Anything you want that you think will aid us.

Mr. C. Gentlemen, this was signed by the President on the 22nd of January, 1946. On the 8th of July, 1946, six months later, there is a document published by the National Intelligence Authority entitled "NIA Directive No. 5, Top Secret." It says:

"The functions of the Director of Central Intelligence are hereby re-defined as follows, subject to the provisions of this original letter."

Then it comes right into this very loophole I have been talking about. It says:

"Paragraph 3 of the President's letter of January 22 defines the functions of the Director of Central Intelligence as follows" --

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and it copies off Sections (a), (b), (c) and (d) just as we have discussed them a moment ago.

Then it goes on and in a rather harmless paragraph says that the Director of Central Intelligence is hereby authorized to undertake research and analysis. He has already been allowed to do that, based on these determinations, he may centralize such research and analysis. In other words, he has begun to reach out for this, and, in other words, he wants research and analysis people under his own wing.

Paragraph 3 says:

"In addition to the functions specified, the Director of Central Intelligence is hereby authorized and directed to act for this Authority in coordinating all foreign and intelligence activities."

Gentlemen, I do not think that he has a right to do that, because it says here specifically in the President's directive that the Director of Central Intelligence shall be a non-voting member of the National Intelligence Authority and it charges the National Intelligence Authority with having control of him, but here he goes to the National Intelligence Authority and says, "Let me act for you people," and they give him the authority.

Mr. Busbey. Will you read that last paragraph over again?

The Chairman. Just a minute, I do not get the significance.

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You say he has not the authority. Who has not the authority, the President or the Director?

Mr. C. Let me see if I can make this clear. The Director of Central Intelligence as set up by the President was intended to be a non-voting member of the National Intelligence Authority, the Authority consisting of the Secretaries. They are told here that they are his bosses, but now he goes to them and says, "Let me act for you," and they give him that right in these words:

"The Director of Central Intelligence is hereby authorized and directed to act for this Authority in coordinating all Federal and foreign intelligence activities relating to national security."

The Chairman. You mean he is to act for these various activities?

Mr. C. That is right.

The Chairman. There has to be an executive secretary to carry out the will of that board.

Mr. Wilson. They did not abdicate by that?

Mr. C. I think they did. That is the point. Let me read you this next section. I think it is an extraordinary surrender of power which they had no right to do.

Mr. Judd. They did not surrender it; it was a delegation of power. They can take it back. They delegated that power to him. He does not have a vote in delegating that power. He

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is a non-voting member. He is responsible to them. I do not see that is out of order.

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Mr. C. "Pursuant to paragraph 3(c)" -- that is the one that says you can do certain things centrally if they can be more efficiently done that way -- "the Director of Central Intelligence is hereby directed to perform the following services of common concern which this Authority has determined can be more efficiently accomplished:

"The conduct of all Federal espionage and counter-espionage outside of the United States for the collection of foreign intelligence information required for national security."

Mr. Busbey. That means control over G-2 operations and ONI operations outside of the United States?

Mr. C. I will tell you what it means. The first thing that happened was that the Federal Bureau of Investigation was ordered to get out of South America. The next thing that happened was that the War Department was ordered to liquidate its highly efficient secret intelligence service. Those are the first two things that have happened.

The Chairman. Could you incorporate part of the orders to which you referred now? You said the FBI was ordered to get out of South America.

Mr. C. It was in the New York Times.

The Chairman. It is a Government document?

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Mr. C. The FBI must have it.

Mr. Wilson. There is nothing bad about ordering the FBI out of South America?

Mr. C. I think so.

Mr. Wilson. Why?

Mr. C. Well, from a number of ways. I happen to believe in the principle that the same man cannot correlate, evaluate, and also engage in operations. It is like being judge and jury at the same time. If you correlate and coordinate and at the same time engage in operations, a question will come up when we want some information about that. You will say to yourselves, where will we get that? There is human nature involved. If it is not very hot, let G-2 do it; if it is very hot, we will do that ourselves.

Mr. Wilson. I understand there is a lot of that involved. After all, these folks when they get the information, they have to pass it on to the other organizations.

Mr. C. This does not work out that way.

Mr. Wilson. I agree with you in general principle.

Mr. C. You bring up an extremely important point which was this, that when this directive was written it was Admiral Sowers' intent, and certainly my strong belief, that the relationship between the Central Intelligence Agency and the State, War, and Navy Departments had to be a two-way street. It could not just be information flowing from the War Department

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up to the Central Intelligence Agency. It had to go back down again, so that War, State, and Navy could see for themselves if the stuff was coming out of there with that peculiar subtlety that they thought was essential to a real understanding of the problem.

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A grand friend of mine which was my associate of mine on the Balkan desk in G-2 at the time of the recent Greek crisis prepared a paper. It went from the War Department to Central Intelligence. It never came down. He never saw it again. Some days later he saw his friend on the same desk in the State Department and said to him, "What did you think of my Greek paper?" He said, "I think you have gone crazy. What is the matter with you?" He said, "Why?" They fished out the paper that came down from CIG. It was something that was quite distinct, with a distinct pink tinge. This man would not have agreed to it. That is what will happen if it is not maintained between CIG and the various departments, and if you have a secret intelligence, or if they engage in operations of their own coming into the higher level than State, War, and Navy Departments. Do you follow what I am talking about? Then it cannot go down.

Mr. Harness. In other words, this was distorted between the War Department and State Department and no information of that distortion was ever given to the man who originally sent

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the report in?

Mr. Manasco. Why could we not correct that situation? If the State Department wanted particular information that G-2 had gathered in the Balkans and submitted to Central Intelligence, why could not the Secretary of State or proper official of the State Department request the information that that evaluation was based on and let him evaluate it?

Mr. C. Wait a minute. The point is this, that CIG also advises the President and we do not know whether that particular Greek item that went to CIG, to State, and got distorted on that trip, did not also go to the White House. We do not know.

Mr. Manasco. I would not want to take just a summary of what somebody had read if I had a decision to make. We do that with our staff here, but I want to read the bill.

Mr. C. CIG is supposed to give you overall evaluation gathered from all these other places.

Mr. Dorn. You are opposed then to CIG collecting the stuff?

Mr. C. I oppose the collecting. I am all in favor of the correlation.

Mr. Dorn. But not the collecting?

Mr. C. That is right.

Mr. Manasco. That would not have changed the paper that went to the State Department?

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The Chairman. He said yes it would.

Mr. Mansoor. I do not know how it would. They could color it.

Mr. G. If that hat is the President and this is the Director of Central Intelligence and here is War, State and Navy, intelligence flows into these departments this way, and it goes from here to the Director of Central Intelligence. He is not supposed to put out anything, and this was the principle under which the Joint Chiefs of Staff Intelligence Committee operated quite successfully. He could not send anything on to the President until it had the approval of all three. In other words, it is a two-way street. What goes up has to come down, or be made available to those people. This two-way street is broken when these people engage in operations themselves and this alley becomes a secret intelligence or even ordinary intelligence agency.

Let us say that State, War, and Navy all agree on a certain picture of the Greek situation and it goes to the Director of Central Intelligence. He, through his own collection agencies, gets a report that says, well, my goodness sakes, I do not think these fellows are right. Because that comes in at a higher level he cannot send that down to these people; intelligence does not work that way.

The Chairman. They go on in their ignorance?

Mr. G. They go on in their ignorance, dreaming that they

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are using this thing he sent over. He could not do it if he got it out of the collection operation.

Mr. Judd: What do you mean, he got something different?

Mr. C. He has gone to the President with something different.

Mr. Judd. The President has to bring it back down to them with his order on it?

Mr. C. But he does not.

The Chairman. He gives him the wrong order because of the information that comes in from the side.

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Mr. Wilson. Suppose he gives him an order based on the misinformation? Do you not think the Secretary of War would raise hell?

Mr. C. He did not know it in this Greek situation until by pure friendship and accident they had ^{this} visit across the board here.

Mr. Wilson. My question is, ordinarily would not the order he gave be recognized by the Secretary as being based on wrong information?

Mr. C. I cannot believe the Secretary of War would know the full details of the Greek situation.

The Chairman. Is that not what you have in China, they were by-passing somebody and undermining someone?

Mr. Judd. It was in the State Department.

The Chairman. But it was somebody in the Department

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raising hob with their own orders.

Mr. C. May I come back to a question asked down here a minute ago. How did this come about this way?

At the end of the war the OSS was around. The question was, what in the world to do with it. They finally divided it up between the War Department and State Department. Then the question at that time, everybody said intelligence is a mess, we have to have a central intelligence agency to correlate and coordinate all these activities. It was held, and rightfully so, that the collection was not too bad. After all, the information on Pearl Harbor was all over Washington. It was that it was not pulled together and given to the right person at the right time. Everybody agreed, alright, we will have a central intelligence agency charged with the correlation, evaluation and dissemination of the stuff that is already right all over the place.

Mr. Dorn. In that connection, though, here is your central intelligence agency right here. I agree with you, they should correlate, evaluate and disseminate intelligence coming in from these three branches here, and they should give back to the heads of these three departments the information they should have. However, up here in their dissemination and evaluation they find out there is a wide diversion of opinion in intelligence here and here. They would need intelligence of their own. Would you have any objection?

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Mr. C. Most certainly. It is like this: It is as though you and the Supreme Court were sitting here and before you are all these barristers and lawyers and they came in with all this information and you sitting in the Supreme Court said, "There doesn't seem to be any agreement among these fellows; I think I will have one of my own men go out and get the information.

Mr. Hardy. Is this thing not a matter of operational detail we could not possibly write in this bill? If the method of flow needs to be corrected, that should be done in an administrative way and you cannot incorporate all this stuff. The one principle that is involved in this thing is the question of whether this top agency is going to collect?

Mr. C. That is right.

Mr. Harness: Whether we should write into the law this provis. on which he says now gives him the right to do this.

Mr. Hardy. The question is as to whether this information is going to go down. Whether that is going to be made available is an administrative detail.

Mr. C. True, and I think if you drop 3(c) and 3(d) the problem is solved. It already says in there that the various Secretaries are charged with getting it, they are charged with keeping up their own organization, not surrendering them to the central organization.

Mr. Hardy. Regardless of who collects your clandestine information, it should be coordinated and then should get back

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to the thing you are talking about.

Mr. C. I agree absolutely, but it does not necessarily go back because it comes in down here. That is another important point. Here is the War Department, here is a great deal of information flowing in there of all kinds. Now, of the hundreds of channels flowing into G-2, one is a clandestine outfit and it is put in there to hide it away. The stuff that comes in there from that outfit is handled in such a way that it looks like any other intelligence to the normal handling it. That has every advantage. In the first place, it keeps it from looking clandestine. In the second place, it keeps people from thinking that is a secret piece of information, this must be much more important than anything else I have. The third and most important is that the piece of information has to elbow its way through every other piece of information in G-2 and gets no special attention, and when it comes up through and gets to CIG it has been properly evaluated. Let us transfer this secret agency and put it up here. In the first place, it is out in the open; it is in a showcase. How are you going to hide it. No lines go in there except this one. Let us say there is no other information up there, that it has to fight its way through, and look at the disproportion you will get. War, State, and Navy agree on something; this thing disagrees. If it disagrees, it will be thrown out down here, but up here the man says, "Gentlemen, this is our own secret

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thing, I do not know, maybe they are right. He may some day pick it up and run with it and we are wrong, we are hooked.

One other thing, out of hundreds of lines is one clandestine line coming in, it is infiltrated. The modern system of intelligence is not to shoot the man. The trick today is to give him 90 per cent incorrect material and 10 per cent correct material. They feed it. If it comes up here and he says he has compromised it by some accident, there is no great damage done, but if this place is compromised, look at the danger we are in. It is just the wrong place for that stuff to come in.

Mr. Dorn. What do you suggest about this? If you are up here in your top echelon of evaluation and correlation, they find that this outfit is not getting the information that they probably should, how are they going to correct their intelligence set up in this particular department? Will that be done in that department?

Mr. C. I say these people have plenty of authority from that directive to go in there and get this done. That is quite different than saying, "I will do it, get this done."

Gentlemen, suppose you own a ranch and you have thousands of acres and tens of thousands of heads of cattle. Policy is determined by the man sitting in the ranch house. He does not say, "Well, I am going to send five carloads to Colorado and I am going to send five carloads to Chicago," and then run out with his horse and collect those. Nonsense. He says, "We will

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send this stuff," and the boys go out and do the work.

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Mr. Judd. Your report is wrong, because the report from the Central Intelligence Agency does not go up to the President; it goes up to the Secretaries of War and Navy and the Secretary of State, up to the Secretary of the National Security Council. The collection comes through there but when it gets up there it is not under the President but under the National Security Council. They decide what is done with this information.

Mr. C. It does not work out that way. We do not have time.

Mr. Judd. There is no need to keep them under the National Security Council unless the National Security Council is going to function.

Mr. C. This fellow, as I understand, is charged with the proper dissemination of information. That might mean take it to the White House. It might mean even take it over to the Botanical Gardens. I do not know, but he is charged with seeing that it gets to the right place. I am quite sure that was the intent of this Presidential directive to make sure he gets the information, sees that there are no blank spots and delivers it to the right person.

Mr. Harness. There was an executive order made in July 1946 that made it possible for this Central Agency to distort the meaning of this law?

Mr. C. I believe so, sir.

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I would like to finish the rest of this order No. 5.

The directive requires State, War and Navy to give CIG at his request the funds, the personnel, the facilities and other assistance necessary to carry out these new functions, this re-definition that we are talking about, and if he still needs more money he is to ask NIA for a supplemental budget. Nothing like that was contemplated when this directive was given.

You know the first thing that happened after this paragraph was written in. Admiral Sowers told me, who really did the most work on this, he said after that directive was written and it was: "perform, for the benefit of said intelligence agencies, such services of common service," he said, "I was flooded, War, State and Navy came to me and said, 'Please take over these desks, but we give you this.'" Admiral Sowers said, "I kept saying, 'Look, I am starting in business, I do not want to pick up the odds and ends you do not want.'" They said this can be done better centrally. Also, at that time he had some ambitious young men, and during the time I was making this study for the House Military Affairs Committee I had Admiral Sowers' permission to talk to everybody in CIG and it was very easy for me because this particular man was my predecessor as Secretary of the Joint Intelligence Committee of the Joint Chiefs of Staff. He said, "We are going to do a lot of things here. We are going to take over the Who's Who files. It is a waste of time and money to have a Who's Who

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file for the Army, a Who's Who file for the Navy, and a Who's Who file over there. We are going to have them in one place."

How are you going to get them to the man when he needs them?

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We will have a motorcycle service and the stuff will get there faster than it does today. I said, "Let us see what happened to G-2. I was in the Balkan section in G-2 and except for the Chinese I think we had the most unpronounceable names in the whole place. We would get a Balkan report saying Mr. So-and-so was doing this and the other and we turned around and there two or three people who knew the language and said, 'Who is this bird?' And it came out and we had the record like that. When it turned functional they took the files away and took them down to the middle of the Pentagon. When we wanted to get the same report, we would call up and say, 'Let me have the card on so-and-so.' They said, 'You cannot mention names over the phone.' You then would send the girl down there. She would come back with a message saying they are working with China now, or it will be up in an hour or two. The next thing was that you said, 'The hell with it, we will keep our own.'"

Now, they are going to take those Who's Who files and take them out of the Pentagon and take them somewhere else in town with a motorcycle escort. That is one of the difficulties with theoretical over-centralization.

Mr. Dorn. Here is your Central Intelligence Agency here. All right. In their correlation and evaluation of material

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that is coming into them they feel national security is in danger. They have information of which they are pretty sure. To whom should they go from there on to have this information immediately and promptly acted on, to this National Security Council or directly to the head of the national defense?

Mr. G. It depends on where it is supposed to go. For instance, today I know that Central Intelligence publishes hundreds of little items. They are distributed to G-2. They come in like anybody else's intelligence. It is notworthy of a big central important evaluating agency, the little items that come out^{of} there. I will grant that in the flow of business lots of little items will come. I am sure they cannot say, "You must send all the stuff to the National Security Council." They would not be bothered, because then comes a good piece that is lost in the shuffle because they get in the habit of reading the junk, and when a good one comes along they do not get the significance.

Mr. Dorn. If there were a potential attack, then it would be up to them to see the proper official, whether it is the National Security Board or the head of national defense.

Mr. G. That is the way I understand it. For instance, if a competent head were in there and he heard an attack was coming and the attack was imminent and it was going to be in Detroit, he certainly would get that information to the Secretary of War before he got it to the Secretary of the Navy.

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Seconds count. He has to use his bean on this set-up. Seconds count.

Mr. Dorn. Should he go to the National Security Council, or the man responsible for the whole set-up?

Mr. C. And the War Department and the coroner and maybe the chief of police of Detroit, I do not know, but he had better get on the job. If he is going to land in the middle of the ocean, he had better get the Secretary of the Navy first. He is charged with dissemination to the proper person here.

Mr. Dorn. That is his responsibility?

Mr. C. Yes, sir.

Mr. Wadsworth. There is no difference of opinion about that. That is in the bill and in the Executive Order and he is still responsible for it.

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Mr. C. As you well know, a man can never surprise his boss, and if he is under the Secretary of National Defense and does not tell him right off the reel, he is not very smart.

Mr. Harness. Under section (a) of Section 3 it says:

"Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriation dissemination within the Government of the resulting strategic and national policy intelligence."

What does that mean, if it does not mean that he should send back to the Secretary of War the evaluation of the report that was originally sent there?

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Mr. C. It means just what we have been talking about, that it is up to him to properly disseminate it. In other words, everybody who is primarily concerned must get that intelligence.

Mr. Harness. That is what I thought it meant but you gave an illustration a moment ago of a man in the War Department making a report which got over to the State Department and it was distorted somewhere along the line?

Mr. C. That is right.

Mr. Harness. When they evaluated or attempted to evaluate that, they said it was screwy and they did not even disseminate that back.

Mr. C. They changed it. They changed the tenor of it and sent it down to State.

Mr. Judd. Did they send it back to War?

The Chairman. They did from here and sent it up, but they sent back their version.

Mr. Harness. There is nothing that we could write in the law to change that. That is downright crooked.

Mr. C. I have talked to everybody on this, Admiral Carter, Admiral Sowers. I have brought this up with General Wright, confronted Admiral Hill, and I said, "How did that happen, how could such a thing happen?" He said, "It is a mistake."

You know, mistakes like that should not happen. When I go to my friends in G-2 and ask, "Is this two-way flow really

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working?" They say, "No, nothing comes out of there that is worth a darn."

I believe one reason it is getting clogged up is because they are bored with evaluation. They are bored with dissemination and they want to be in this spy business.

The Chairman. Did not this come about up here because of that side line coming in there?

Mr. C. I cannot guarantee that.

The Chairman. That is the way it could have been.

Mr. C. It certainly could.

The Chairman. That is why you do not want this sideline?

Mr. C. Exactly.

Mr. Harness. How are you going to protect yourself from that?

Mr. C. By taking out Sections 3(c) and 3(d).

Mr. Manasco. Suppose the War Department had checked G-2, you could send it up there. The State Department requested it. That would work where the State Department would then go back and check with War, they could cull out information all they wanted to, anyhow?

Mr. C. This is designed to prevent that.

Coming back again to where we were a minute ago, when this was originally planned the plan was that this man in the middle was to be a very powerful figure, all intelligence was to go to him, he was to fix it up, and he was to pass it on to

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the President. The Navy, Admiral Sowers, broke that. They said that principle is no good because if that happens, every one of these people will not be certain that this information is being passed on with that shade of meaning they mean, and we will have this running around in circles. Do not pay any attention to that. The Navy had this counterplan consisting of a two-way street. Everything that goes up has to come down. In order to do that, you have to make the Director of Central Intelligence a less important figure, and that is why he was named a non-voting member of this board. When this was put up to the President, "Mr. President, you can either have the State Department plan whereby he will fix up the intelligence and pass it on, or you can have it really where he will not pass it on, where the three departments are not all agreed on which plan you prefer," He said, "That is the one for me, I would like to make one change, and I would like to add my personal Chief of Staff, Admiral Leahy."

We said, "That is great." What have we done since that day? We have gone all around the clock and we are back to the very plan we decided not to have.

In the study I made for the House Military Affairs Committee and at the time Admiral Sowers left, the CIG was split almost half-way between officers who believed as I do, and the other half who are very ambitious and said, "Gentlemen, which is this going to be, a super-doooper agency? This is going to

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have all the powers that OSS had and more." We are going to have all the maps. They said, "Let us have the maps, we are going in the printing business."

When General Vandenberg came in and Admiral Sowers introduced me to him, the first conversation I had with General Vandenberg was on the steps of the Pentagon. He said, "I have heard about you, come in and see me. I will be glad to talk this over with you." He said, "Come back in a car with me," but I was not able to do it.

I said, "I am primarily interested in this question: Do you believe in a coordinating and evaluating agency or operation in central intelligence?"

He said, "I will tell you this, I do not believe in any damn coordinating sewing circle."

From that moment on we had that drive that the central agency must do more and more and when it does that, we find out the fact that he is a non-voting member isn't overcome by the fact that he is delegating power to them and he knocks the War Department over the head and Navy Department over the head. Suppose the Atomic Energy Commission decided that they wanted to have a clandestine intelligence agency of their own, even an open intelligence agency of their own. Under this directive they cannot do it, and yet how many atomic energy experts are there. Are there enough to have a full set in the Atomic Energy Commission and another full set sitting in here?

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Mr. Hardy. What method do you think he employed to get the Secretary of War, of Navy, and of State together with Admiral Leahy to agree to that change if it was so onerous to OWI? Why did the Secretary of Navy agree? It was so onerous to G-2, why did the Secretary of War agree?

Mr. G. I happen to know the Secretary of War agreed before he asked G-2, and G-2 when first approached objected to it. He said to me the other day, "My orders are that this thing should be abolished, and those are my orders until some higher power, perhaps the Congress, changes them." That is what he said.

Mr. Wadsworth. I think it is fair to say that perhaps you have given an impartial explanation of what happened.

_____ this morning said this final decision to put Central Intelligence in the operation field in clandestine information was agreed upon unanimously by the chief of OWI and the chief of G-2 and the State Department representative.

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Mr. G. I can tell you that in my discussion with Admiral Ingalls, and you can check this with him, Admiral Ingalls said, "I would like to wash my hands of the clandestine intelligence. I did not want it in the Navy." He said, "Would it not be a terrible thing if we had clandestine intelligence," and this was right after the Russian blow-up in Canada, "would it not be a terrible thing if the Navy were caught dealing in secret intelligence?"

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I said, "Admiral, do you not think it would be a worse thing if the Central Agency were caught dealing in such intelligence?" Again Admiral Sowers the other day said, "The Navy will not be competent to do this kind of thing. This takes a peculiar kind of man. Frankly, I do not think the Army is ever going to be competent with a quick turnover in officers. This needs something permanent." I said, "I agree with you, and therefore I believe we should have lots of these little things put in the places where they belong so that if one of them is knocked out because of inefficiency of somebody who does not know how to do it, it stays on, but if you only have one, and that is not run properly, and after all we have been doing it for five years and the British for 500 years, they have learned a lot of tricks about this."

Mr. Wadsworth. _____ testified this morning that the British had centralized collection of clandestine intelligence.

Mr. C. I think you are going to have a witness later, unless I am mistaken, who has a full description of the British, Russian, French and Chinese intelligence systems, but not a single one of them is centralized.

Mr. Busbey. May I clear up a question in my mind? In the secret intelligence operation of G-2, are not all the men in that operational activity under the supervision and direction of the War Department, or do they go outside to some

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extent?

Mr. C. Congressman, you again are going to have a man, two witnesses here, one a gentleman who set up the War Department in secret intelligence plan, and a man who has been operating it for five years, and I would greatly prefer that they answer that question. They are experts in that field.

Mr. Wadsworth. Without desiring to shut Mr. C off, I think he has given us his view of the situation on a most interesting and difficult problem. He has mentioned other witnesses. Should we not proceed with the other witnesses?

Mr. Judd. I have one question regarding Section 10 of this directive. The last paragraph reads:

"The Director of Central Intelligence shall be responsible for fully protecting intelligence sources and methods."

How can he protect intelligence sources and methods that are not under his control, that are down in the War and Navy Departments? How can he protect them? I do not quite understand that. How could he if he does not control them?

Mr. C. He does have control to a certain extent, but that is the usual clause on a protection of sources, on security, that goes into almost anything dealing with the Army. You will find that in practice the Director of Central Intelligence is responsible only for security in his own organization; G-2 is responsible for security all through the War Department.

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Mr. Judd. I have another question. Do you find where you have three sets of people working on the same problem, that, to use a phrase, they get their wires crossed, and get into trouble if there is not direction at the top, so that the man in Central Intelligence uses a man here, but he does not send a man from the Army, Navy and State Departments mixed up after the same secret?

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Mr. C. That is a very oversimplified way of stating what happened. You get your wires crossed even with the most efficient operation. Again, if you will take that up with _____, he will tell you on occasion in the last war in Spain the FBI and his organization got their wires crossed and the minute they found out who it was, they withdrew and in fact strengthened both their lines by cooperative effort. Also, on several occasions wires were crossed between the War Department SI and the OSS, and on one occasion the War Department SI was disclosed to the British as a result of that.

Mr. Judd. Should not somebody here in Washington at Central Intelligence Agency be avoiding a clash between the two intelligence agencies of our own?

Mr. C. He could not possibly do it, because, for instance, if we had today clandestine networks in Budapest, it would be the greatest thing that happened to us. They would undoubtedly fall over each other ^{to} a certain extent, but if they were all honest, patriotic Americans, interested only in seeing that

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they get the highest intelligence, you would not have a bit of trouble. If they have a man working for a rival organization, they will cut each other's throats just as fast as they can do it.

Mr. Judd. That is the point. Are there not more rival organizations on this set-up? Do you not think this one man in the central intelligence should know where his men are?

Mr. C. Take that up with _____. Bissell used to say, "Why can you not get these people on the telephone? If I want to talk to a soldier anywhere in the United States Army, I can pick up the telephone and get him on the telephone. Why can you not get your men like that?" Sometimes it takes two or three months to get a fellow.

Mr. Harness. Who is the author of the document which you referred to as being top secret?

Mr. C. This is a directive of the National Intelligence Authority.

Mr. Harness. That would be the Secretary of War, Secretary of Navy, and the Secretary of State?

Mr. C. Plus Admiral Leahy.

Mr. Harness. And they joined in this amendment?

Mr. C. Yes, sir, this redefinition.

Mr. Harness. It really amended the original intent?

Mr. C. It certainly does.

Mr. Harness. It is the same thing as a new directive.

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Mr. G. That is why I say you cannot understand the bill without this, and you cannot understand this without that.

Mr. Harness. Do you have any other recommendations other than those made that we can correct the things of which you complain?

Mr. G. Yes, I have one. Let us try and have a director who is going to be in office long enough and be interested enough in this job to do it right and not regard it as a stepping stone to another job.

Mr. Harness. You think it should be a lifetime job or 10 years or more?

Mr. G. Why has Hoover done such a magnificent job in the FBI? Every technician has his hat off to him. He has not changed jobs every two or three weeks. He does not have three stars on his shoulders and be nice to people with four stars and a little bit snooty to people with only one star. He is in there for life.

You ask me, why did certain people not want this within their own shop? This is one of the things we have to watch. This is a nasty tricky business, this secret intelligence, and lots of officers would like to shed it. I am sure I do General Chamberlain no injustice whatsoever, he wishes to God he had never heard of the thing. To a certain extent, that is true of very fine officers whose careers are involved in this struggle, this fight, this long meeting up here. They

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wish they had never heard of it. But we must have good sound secret intelligence and there are people who know how to run it right.

Mr. Holifield. If that was not discussed before I came in, do you have any opinion as to whether this head man should be a civilian or military man?

Mr. C. I have been asked that many times. I do not care. If he is a darn good American and he is willing to step out of the Army or Navy and take this job as his life work.

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Mr. Holifield. In other words, if a military man is chosen for the job, you feel that he should not be, as you say, with two stars susceptible to four stars, he should become a civilian?

Mr. C. I agree, yes, sir, and frankly I have no objection to his being a soldier because lots of people have learned the technique, I learned this technique in the Army. I would not have known a darn thing about it if I had not been in the Army. Incidentally, the four men who signed this order have had no technical intelligence experience.

Thank you very much.

Mr. Judd. Thank you, Mr. C.

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STATEMENT OF MR. D

Mr. D. I believe that the bill, or the openings made by the bill that would enable the Central Intelligence Group to be a master coordinating, disseminating and policy group, and also be an operating or collection group wrong and dangerous to our national security. I believe that for three reasons: (1) Horse sense, (2) the experience of this agency and the FBI over the past five or seven years, which is little enough, but more than anybody else in the country, and (3) the experience of other major powers whose experience is five or six hundred years old.

That is the argument that I have, and the first one on horse sense is this, if you will permit me to have a figure of speech. If it is necessary to drop one of us out of the window and we had nothing but thin cord, which is comparable to an SI agency covering the millions of people in the world and millions of square miles all over the world, if we had a thin cord here, would you any of you gentlemen like to be thrown out of the window with one string of cord, or prefer to be thrown out of the window with three or four thicknesses of cord? That is my argument on the horse sense part. In other words, a secret intelligence is necessary to fill in the mosaic of information gathered by all other means. With regard to volume, it does not amount to too much in peace time, but the pieces it comes out with are very important and necessary to

fu-51 make the entire pattern. If these pieces can be filled in by one agency, fine; but unfortunately nothing is perfect in the world and consequently if there are two or three agencies there is much greater chance of getting these pieces and those spell the difference between likelihood of survival or disaster. In other words, an aviation expedition starting out with an atomic bomb and it is missed by one SI but caught by another. However, if there is only one SI organization, then what?

It has nothing to do with nets and systems. It is, of course, apparent that in the technical operation one organization will have many systems and will have many nets within those systems, but just like the old proverb, a chain is only as strong as its weakest link, no matter how many nets and systems an organization has in SI, it is only as strong as the entire personnel and one infiltration or penetration by a counter intelligence agency of a foreign power or by someone having ideologies contrary to our democratic concept blows the whole organization up in smoke as far as secret intelligence.

If you have a number that gives you a safety margin, and we are not playing with marbles, we are playing with our national security and our lives, and therefore from a matter of common sense, which is my first argument, I do not believe there is any question that the bill should not make it possible for CIG to have the only and exclusive secret intelligence, but it should have dispersion and there should be secret intelligence in the

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Navy, War, State and FBI.

Mr. Harness. Would you object to the Central Intelligence Agency having also clandestine or secret intelligence? Would you object to the Central Intelligence having secret intelligence?

Mr. D. Yes, sir, I would because in this field.

Mr. Harness. I mean in addition to the other.

Mr. D. Yes, sir. I will answer your question. In this field, sir, if you have the coordinating and evaluating agency also in operations, there is a competitive angle. This is a most terrific and competitive and technical business. You have a competitive angle and also bias, so you can no longer have the master evaluation, the unbiased judgment by the Central Intelligence Group which you would have if they keep out of the operation and collection from all the agencies, which I understand was the purpose in the first place. I know that on my level certainly that was the result of experience of the war, so that the answer is that from a practical standpoint it would finally wind up by killing off the others. There are examples I will come to later when I pick up the experiences of other countries which I have here.

Mr. Judd. On that point, this started out as merely evaluation. After six months it was changed so that it added collection. It would seem to me at least that some high officials were convinced that on the basis of practical experience they

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ought to add collection. They started theoretically not collecting. Have you any idea as to why that change was made?

Mr. D. I have an idea, but it is not based on fact. I just think the people that had these coordinating agencies started to build an empire.

Mr. Judd. And the other people hated to lose their empire?

Mr. D. That is possibly true, sir, but it is not in this case as far as I am concerned, because I made that quite clear, I am not here to fight the liquidation of this agency.

Mr. Judd. I think it would be of value to say why, if you know why, the War Department decided to liquidate its agency?

Mr. D. I do not know what pressure is on people in the service, but I feel absolutely that the order came out from above and that was that.

Mr. Boggs. The Central Intelligence Agency is also a planning agency under this bill. It plans what intelligence it would be helpful to have?

Mr. D. That is right, sir.

Mr. Boggs. Of course, in making those plans the Central Intelligence Agency will find certain information that they have to have to put out good directives.

Mr. D. Yes, sir.

Mr. Boggs. Now, certainly in order to get the information

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which they want, which the Central Intelligence Agency needs, it has to have some control over the agency getting it, does it not?

Mr. D. The answer to that, sir, is that I do not want to be misunderstood that I am against the Central Intelligence Group. I am for the Central Intelligence Group. I am for the master evaluating, for a master disseminating agency, for a master policy agency. What I am trying to say is that an agency in order to be more effective and efficient and to make the entire intelligence picture right, should not engage in collection.

Mr. Boggs. Let the War Department do it?

Mr. D. That is right. It can tell the War Department, you do this, or the Navy Department, you do that.

Mr. Boggs. But then the agency would have no control over the War Department?

Mr. D. No, sir, not any more than any command function down to the company commander who has to take a strong point.

Mr. Busbey. This idea just hits me now. In addition to the clandestine intelligence service of the War Department, State Department, and Navy Department, is there some place that we could set up a clandestine branch, outside of the Central Intelligence Group where they could go to order information outside of the scope of these other three that would feed information into the Central Intelligence Group?

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Mr. D. Yes, I think it could be done, but I do not think from a practical standpoint it is necessary because you have the War Department, the War Department can have an SI, the Navy Department can have an SI, the Atomic Energy Commission can have its scientific SI, and the State Department, or as many as will be coordinated by CIA. The CIA may say, we do not want six, we will only allow three or four.

Therefore, I have now covered the horse sense, what I call the horsensense part, except that from a business standpoint it is quite apparent, and it is present in business, you do not put your salesman in the factory manufacturing, and you do not put your technical people who are manufacturing in the factory on sales. In other words, it is a basic principle, it is a basic principle you might assume in any normal business.

Mr. Harness. I would like to ask you this. If this is your Central Intelligence Agency and here are three, War, Navy, State, through your office G-2 down here --

Mr. D. We would be off this.

Mr. Harness. You send information up here?

Mr. D. We send it right here, and it comes up here.

Mr. Harness. In your experience has any of this filtered back to you after they have evaluated it up here?

Mr. D. The purpose of this Central Intelligence Group is that there is a two-way traffic here.

Mr. Harness. Has it been a two-way traffic?

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Mr. D. Sir, I am not in a position to tell you that, and I will tell you why. I am down here, and I am not concerned, and I will bring that up in my next point. I am not concerned with anything that happens to my reports unless a system is such that it is discovered that something sinister is happening to them, they are being eliminated or being misinterpreted. Actually, my job is lecturing.

Mr. Busbey. In other words, that is to be answered by somebody in G-2?

Mr. Wilson. Suppose it is misinterpreted? If you get certain information and send it in and it is misinterpreted at the State Department, would you know about it?

Mr. D. Yes, because it would come back here, as well as here, and then when my people contact the various desks they will see. That has happened, and you are leading to my second point, they would realize that here we have been pouring information one way and the desk says something else, so they will immediately get busy, and that is a wonderful question because it leads right into my second point, that there is some real cock-eyed.

Mr. Wilson. And they let you know about it?

Mr. D. My contacts with the desk would immediately know about them.

Mr. Wilson. They would try to iron that out to see what was right?

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Mr. D. That is right.

Now, under the other system there is not as much sound double check because if anything gets sour here --

Mr. Harness. If they have a secret line in here?

Mr. D. That is right.

Mr. Judd. Would not their conclusion, whether based on just these three lines, or these three lines plus a fourth line, still have to come back down to you?

Mr. D. Yes, it would have to come down, but, do you not see, we would not be there any more.

Mr. Judd. What you are saying is that if up in the Central it has a line of its own --

Mr. D. My line is half liquidated now, sir.

Now, the next point is the experience that we have had in the five to seven years. I say five to seven years because the War Department has had five years experience. I started the agency for the War Department five years ago about the middle of 1942, over five years, and the FBI seven years ago, and the experience has been that this works out well for a number of reasons which would not occur on the other basis.

(Discussion off the record.)

Smith
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SMITH
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(Martin C. Smith, the committee stenographer, was duly sworn by the Chairman as follows:

(The Chairman: Do you solemnly swear you will not, directly or indirectly, communicate to anyone, any of the information which you may obtain here, either by hearing, recording, transcribing, or handling, the hearings, so help you God?

(Mr. Smith: I do.)

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STATEMENT OF MR. "E".

Mr. Wadsworth. Will you give us a brief description of your experience and service?

Mr. E. I am retired.

Mr. Wadsworth. Brigadier General.

Mr. E. Brigadier General, U. S. Army, retired January of this year, sir, after some 35 years' service, 20 years of which have been devoted to intelligence in various places; during the early days of the war, Deputy G-2 of the War Department, and Chief of the Military Intelligence Service, and have had a number of experiences abroad in military attache work and other forms of intelligence.

So you may say, sir, that I am one of the oldest officers in this line of business, although I am retired at the present time.

Mr. Wadsworth. We have had testimony, very, very interesting, from the man who just left the room, and others, and they all have decided in their opinion that it would be a grave mistake to centralize the collection of S.I. in C.I.G. or its successor.

I am not sure that you want to explore the whole subject before us, in view of the lateness of the hour, but could you give us briefly your own conception of that situation?

Mr. E. Yes, sir. I would like to very much, and I will make it very brief.

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I was in at the beginning of the formation of what we might call our first effort at strategical high level intelligence. Coming into the War Department in the beginning of the war, just before the war, rather, there really was no strategic or clandestine secret intelligence. One or two individuals composed a sort of attempted espionage net.

The general experience and vision in regard to collection of information on the part of various government agencies with which I was thoroughly familiar were somewhat narrow, although I do say the field was covered in that limited sense.

So that when we approached Pearl Harbor, we were collecting information, there is no question about that. And with a certain amount of influence, no doubt our national outlook on life, we did not go too far afield on these fields. The coverage was incomplete.

Mr. Wadsworth. Incomplete?

Mr. E. Incomplete.

Mr. Wadsworth. Yes.

Mr. E. However, the glaring defect, the tragic lack was not collection; it was a proper evaluation, the lack of a proper and centralized evaluation of the information obtained by the various government agencies, and its dissemination or application to high level planning. Of course, all of the leading officials of the War Department,

particularly in the intelligence agencies, realized that we must expand our intelligence at once, and while there was some little debate as to whether the War Department should go into the field of secret or clandestine intelligence, or whether it should be passed on to the gentlemen who were heading the new office of information, who had great visions of collection operations, getting ready to cover all fields of collection of information, the War Department very quietly went about its way preparing for a secret intelligence.

I was Chief of the Military Intelligence Service, and had the authority of my Chief, who was G-2, the late Major General George Strong, who in turn had the complete confidence of General George C. Marshall, the Chief of Staff, so it was in about April, I believe, sir, of 1942, that we, it was decided among those responsible, I do not remember just who they were, that the more active operational side of intelligence should go to CII, Coordinated Information, that is, you know, the office that preceded the OSS, and that the regular Intelligence Services should proceed from there with their own intelligence activities.

This gave the official approval and direction to me to organize and set on foot the secret intelligence service.

By December of that year this directive was expanded, perhaps it was October, was expanded to instruct me, which I in turn instructed my predecessor at this hearing, that he

would not only institute a secret intelligence service, looking to the current needs of the current war effort, but that he would lay the foundation for a perpetual, a far-seeing, a far-distant, continuing secret intelligence service.

Furthermore, he was instructed, and he was chosen particularly because he could take such instructions, that all of this should be done under the terms of the highest secrecy, even of what we called "privacy" in the highest strategic sense.

Gentlemen, that was the birth of high level intelligence, secret intelligence operations in our government. It was so securely operated that for many years it was not known at all.

Mr. Wadsworth. It was what?

Mr. E. It was not known, its existence was not known.

Mr. Wadsworth. That is right.

Mr. E. And when I left the direction of that office at the beginning of 1944, only those in the War Department and the State and the President's office, the President himself, who had to know by virtue of approving certain operations, knew it existed.

Now, if I can just jump over for a few years, you can well imagine with what a shock I read the words in the New York Times on May 18 that the War Department secret intelligence was wiped out. I had never seen those words in print before, and they had never been typed or they had never existed as

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such, those words, the War Department secret intelligence. And there were reference terms that were used, rather than to speak of it as such. That was how secure it was. I mention that to indicate merely in the interests of security.

I would like to say, sir, that I am heartily in favor of this unification service in the bill as a soldier and as a citizen because I was intimately acquainted with the serious deficiencies of our intelligence at the beginning of the war, that is, there was no centralized evaluation and dissemination or application to high level planning in operations. I am profoundly in favor of a central intelligence system.

However, not only my experience in these last five years of my active duty, which was concerned with all aspects of high level intelligence, including joint security control, methods of deception, kindred aspects of intelligence, secret and private, and otherwise, together with my intimate study, as it was my duty to do, of some of the foreign intelligence systems, and working in intimate contact with our British and French Allies, particularly the British, and here I would like to digress a moment to say that since my late Chief, General Strong, is no longer living, I perhaps am the only one living of the first American officers who got inside all aspects of the British intelligence, so that I know by experience and study foreign intelligence, and without exception where mistakes were made, it was because of

the overburdening of the central intelligence directional control, or the failure of the high level political direction of the government to take advantage of the strategic intelligence given them by all agencies. So therefore I am convinced that the Congress would be wise to pass such a bill.

It would be unwise to empower the central intelligence authority to overburden itself with operations, particularly collection operations, which takes our thought and time, is romantic, takes a lot of activity, is the most exciting part of intelligence, takes a lot of running, which would take their eye off their main strategic mission, that is, to serve the national security, and laying before the national planners years before the war takes place, sir, that evaluated information, the very essence of which will dictate the answer to what our government should do.

I believe, sir, that it is entirely proper under paragraphs 3-A and B of the present directive, which is really a very interesting and a very clear paper on the whole, and should not be lightly thrown to one side, that under paragraphs 3-A and B, there is such a wide scope of authority and responsibility to be assigned to the chief of the Central Intelligence and Director of Central Intelligence that were he to become engaged with his immediate office in the actual business of operations, particularly collection in its commonly accepted

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term or in its refinement, and particularly in secret intelligence, that he would neglect one or the other, that his staff would, also, and that the main mission of serving the national security would suffer.

It would in effect mean that they would roll up their sleeves and get busy in the business of turning out intelligence.

Mr. McCormack. Turning out what?

Mr. E. Turning out intelligence, not only going out into the field to harvest information, but they would be rubbing the machinery to grind it out, and they would be attempting to advise and to distribute it and to disseminate it, too.

Those are three great, tremendous processes; the climax is the latter, but under the overall authority of Paragraphs 3-A and B, they would have the policy, and the control, and the direction and coordination, and the correlation of all operations, making use of the existing intelligence agencies or new ones, if necessary, organized for a specific purpose to cover a field which is not covered. As such, they would have a greater influence over collection and kindred operations, and keep an eye on their main mission, but by the attempt to coordinate through regular agencies could, I believe, sir, produce better information to be evaluated centrally and applied centrally.

I am very grateful for the opportunity to speak that

opinion.

Mr. Wadsworth. We respect your opinion. Your experience has been extraordinary.

Mr. McCormack. I join with Mr. Wadsworth on that.

Mr. Wadsworth. We are glad to have this expression of opinion on our record. In other words, you think it would be a mistake to lodge with the CIG or the central agency the job of collecting secret intelligence.

Mr. E. I do, sir.

Mr. McCormack. But you believe that they should be given tremendous power, other than that, the power of coordination, the power of direction, when the policy has been established.

Mr. E. Precisely.

Mr. McCormack. Even the policy to create new agencies, new activities, temporarily or otherwise, where there is a gap or some special mission, and that to utilize all of the collection agencies wherever they deem it necessary, so that the maximum results would be obtained, but still complying with, and I suppose in the secret intelligence you call it the law of dispersion.

Mr. E. That is right. Decentralization in a military sense. Otherwise, you must remember too that the enemy is looking at what we are doing and time is short, and it is difficult to initiate new intelligence and make them

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efficient in a short time. So let us direct and control and coordinate and get the best we can right now.

Mr. Judd. And also in order to disseminate this agency should have the power, if, for example, like the night before Pearl Harbor, in some way to have them pay attention, to have the right to insist.

Mr. H. Precisely.

Mr. Judd. Thank you.

STATEMENT OF MR. "F".

Mr. Judd. Will you identify yourself?

Mr. F. My present assignment duty is Chief of Naval Intelligence. I have occupied that post for something over two years.

Mr. Judd. You are Chief of Naval Intelligence. That is not the same as secret intelligence. It includes secret intelligence?

Mr. F. It may, yes, sir; the entire intelligence service of the Navy.

Mr. Judd. Proceed.

Mr. F. Mr. Chairman, in order to save time, I would like to read a prepared statement which will take about 10 or 12 minutes.

Mr. Lanham. In brief, yours is the same as G-2 in the Army, is it not?

Mr. F. Yes, sir.

Thorough, reliable and efficiently disseminated intelligence is essential to our security. Our safety demands that we be forewarned, yet we cannot be truly forewarned unless we are forewarned. We are faced, then, with the imperative problem of establishing now the best possible system for the fulfillment of our intelligence requirements.

Prior to World War II, liaison and coordination between the various departmental intelligence agencies of the U. S.

Government was informal and personal. Certain interdepartmental committees had been formed but the effectiveness of their cooperation was in proportion to the voluntary effort and interest which the committee members were willing to devote to the subject. There was cooperation, and sometimes it was very good, but on the whole it was haphazard and fluctuating because there existed no clear line of responsibility and authority.

The surprise attack on Pearl Harbor, and the subsequent early operations of the past war, forcefully demonstrated the need for closer coordination of all intelligence activities. But coordination of effort, however important, was not in itself sufficient to meet the needs imposed by global war. The preparation of our early strategic plans demonstrated the further need for an immediate expansion of our national intelligence effort.

To meet these needs, coordination and expansion, there were formed in Washington various new agencies such as the Joint Intelligence Committee, the OSS, the Joint Target Group, and the Interdepartmental Intelligence Committee. In the field, where a single commander exercised unit of command within a war theater, our intelligence needs were successfully met by forming joint agencies such as the Joint Intelligence Center, Pacific Ocean Area.

Wartime experience, and an evaluation of our future needs,

demonstrates the necessity for some form of a national intelligence agency. Only through such an agency, charged with production of intelligence and with coordination of all intelligence efforts, can we hope to achieve the most effective and the most economical coverage. Present day development of weapons of mass destruction emphasize the need for a central intelligence agency. Our future security, more than ever before, will depend upon timely warning of impending attack.

The first step taken toward the solution of our present day intelligence problem was the establishment of the Central Intelligence Group in conformity with the President's letter of 22 January 1946, which is quoted in the Federal Register.

I firmly believe in the concept of central intelligence for its advantage to the Nation and the Navy. In order for a central agency to function to the best effect, however, it requires the solid foundation and permanent status that can be derived only from legislative action. I, therefore, favor passage of S. 758, the so-called National Defense Act.

Mr. Judd. You prefer that?

Mr. F. That is, I favor the intelligence portion of that.

I favor passage of S. 758 since it would provide the type of central intelligence agency I consider necessary to our security. My testimony will be limited to the intelligence aspects of the bill for it is in that field that I have

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official responsibilities.

Functions: A Central Intelligence Agency should be authorized to perform three major functions:

a. It should produce finished intelligence relating to national policy from the evaluation and correlation of information received from all sources, including other intelligence agencies of the government. In addition, it should be authorized to produce any type of finished intelligence for any one or more departments of the government when such intelligence can be produced more economically and efficiently by a central organization and it has been determined that such production is in the national interest.

Mr. Lanham. Does that production include the gathering of information?

Mr. F. No, sir, that is the evaluation and dissemination.

b. It should coordinate the intelligence activities of all governmental departments in order to avoid needless duplication and to insure complete coverage.

Mr. Judd. How much authority does that involve. It states "It should coordinate." How near is that to "direct"?

Mr. F. That is the manner in which it is working now, sir, and it will be the same if the bill is passed. The authority stems from the National Intelligence or the National Security Council. The National Intelligence Authority includes the Secretaries of State, War and Navy

and a representative of the President, which might be anyone, that is the top level authority, and it is because the President has delegated to that group as a body the authority for the coordination of all departments that the Director of Central Intelligence acting on that authority can give instructions to the intelligence agencies of their respective departments.

Mr. Judd. When it says "It should coordinate the intelligence activities of all departments", that means it has the power to give instructions to them.

Mr. F. Yes, sir, with the approval of the governing body.

Mr. Judd. Those instructions could be to instruct it to approach a problem from two different angles or to lay off.

Mr. F. That is right.

Mr. Judd. In case there was overlapping.

Mr. F. It could allocate a task to one department or another, or if they desired, the Central Intelligence could do it itself.

Mr. Judd. The purpose is not to actually regulate all of the details of it, but to see that the total picture is covered.

Mr. F. That is right.

Mr. Lanham. You said the central agency could do it itself; just what do you mean by that? They could gather the information themselves?

Mr. F. That will come in the next subparagraph, sir.

We are coming to that in subparagraph c.

c. It should conduct those intelligence activities which the departments concerned agree need not be performed by one or more departments of the government for special technical or operational reasons and can be most effectively and economically accomplished by a central agency. Examples of such activities are: special secret operations, by that I mean running an organized spy network, monitoring of press and propaganda broadcasts of foreign powers, study of captured and other foreign documents for intelligence materials; and exploitation of domestic sources of foreign intelligence.

Mr. Manasco. If these people were all under Central Intelligence, the spy network, when they go abroad, you would not have them shown as being employees of the Central Intelligence Agency. That would immediately endanger the lives of those people.

Mr. F. Of course, they would have to be operating under cover. Their presence would have to be explainable or explained by some other motive or some other reason.

Mr. Manasco. As travelers and so forth.

Mr. F. Business men, anything that might be effective.

Mr. Manasco. That is one of the things I have been a little afraid of; if we just say that it is in the role of employees of the Central Intelligence Agency in the Federal

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Government, anybody can get in the role of the employees, and I would not want them, because the man happened to be working for them, would not want them shot over in Bulgaria.

Mr. F. No, sir, that would be fatal for the people who actually do the secret work.

Mr. Judd. When you say special secret operations, you mean supplementing the secret operations carried on by the Navy and the Army and the State Department.

Mr. F. Well, in general, subject to certain exceptions. In general my philosophy is that the Army and the Navy and State Departments would get out of that field.

Mr. Judd. Would get out of the secret operations?

Mr. F. Of operating secret spy networks, yes, sir. I mean organized networks. There are opportunities that we have for work of that type, not in an organized way. Perhaps I can explain it best by an example.

We will say that a French naval officer is willing to sell some information about Russia. That French naval officer will have more confidence perhaps in an American naval officer than he would in an Army officer or a CIA person, or some attache of the Embassy or an American business man in France. It is just the natural inclination to go to his professional colleague, you see. So he might prefer to come to our U. S. naval attache in Paris and say, "I have got some dope on the Russians here. If you will give me a thousand dollars, I

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can give you the design of their new battleship", or something like that.

Now, this scheme that I propose would not stop that from happening. Our American naval attache would be authorized and would have the money to accomplish that purpose, but I want to make the distinction between something that is casual and opportunistic as compared to an organized spy network and we want to get out of that organized spy network business.

Mr. Judd. The Navy does not want to carry that on?

Mr. F. No, sir.

Mr. Manasco. After the Naval officer bought it, it is your idea the Central Intelligence Agency would have some control over that clandestine spy work, because if they did not, they might sell it to the Army and the State Department.

Mr. F. Yes, sir.

Mr. Manasco. That was done down in South America.

Mr. F. That comes into the coordination field, and that information we would pass on to CIG. We would pool our resources, turn that all in, anything we get. But under this conception we would have very little of that work to do. It would be a minor matter with us. The big bulk of all of the secret stuff of passing money, and so forth, would be done by CIG.

Although a central intelligence agency would eliminate some work that each governmental department is now obliged

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to perform for itself, it would not supplant any existing intelligence agency. It is axiomatic that an operational commander of any of the Armed Services must have direct control over the intelligence he requires for rapid and efficient action. He must continue to be served by an effective departmental agency, ONI, G-2, or A-2. These will make available to each theater commander, in peace or war, the intelligence acquired elsewhere, including operational and communication intelligence; train his intelligence officers; give headquarter analysis to his findings; and provide the top command of Army, Navy or Air Force with the matured intelligence material necessary to over-all planning.

In practice, we feel that the most immediate value to the Army and Navy of a well-run central agency will be to permit the departmental agencies to concentrate their effort and experience upon those phases of strictly departmental intelligence appropriate to each. In other words, we believe that each department must operate its own intelligence service in order to meet its own unique requirements. It must be manned by personnel trained in its own profession, and must be under the direct command of those who are responsible for carrying out the departmental mission. The central agency, then, should supplement, but not supplant, the departmental agencies. It should have no function which would interfere with the direct control needed by the military over operational

(combat) intelligence .

The Central Intelligence Agency, as a primary instrument of national security, should be under the National Security Council as proposed by the bill S. 758. A legally established Security Council is the proper heir to the responsibilities currently assigned to the National Intelligence Authority. A Director of Central Intelligence should be appointed to act as the Council's Executive Officer for the fulfillment of the national intelligence mission and the administration of the Central Agency.

The Director of Central Intelligence should be advised by a responsible Intelligence Advisory Board consisting of the heads of the principal military and civilian intelligence agencies of the government. In addition to effecting top-level liaison between the central agency and their own departments, the members of the Advisory Board would be responsible for the efficient collaboration of their departments. They would thus share with the Director the responsibility for successful operation of Central Intelligence.

The Central Intelligence Agency itself should possess a permanent staff adequate to permit it to carry out its functions. It should, in addition, be assigned personnel from the State, War, Navy, and Air Departments, this is assuming there is an Air Department, to the extent judged necessary by the National Security Council.

Mr. Lanham. Is that Intelligence board provided for in the Senate bill?

Mr. F. It is not mentioned there except indirectly by inference. It is contained in the President's letter to the three Secretaries, in the Federal Register, and the Senate bill calls for carrying over the provisions of the President's letter into the new National Security Council and Central Intelligence Agency.

Mr. Manasco. The only difference between the two bills on this particular provision is that the Senate bill provides for the Senate confirming the director.

Mr. F. Yes, sir.

Mr. Manasco. The rest of the language is identical.

Mr. F. So far as the organization is concerned.

Mr. Manasco. Yes, so far as the organization is concerned.

Mr. F. Yes, but there are some other differences, and I am discussing each one of these as it now comes up.

One man vs. committee control: The view has been advanced by some that National Intelligence would function more effectively under a single head responsible only to the President. It is conceded that the Director should be granted the initiative and freedom of action necessary to the efficient administration of any organization. The Central Agency will be established, however, to serve many departments of the Government, all of which will be vitally concerned in its successful operation. Its success will require the

closest cooperation with the existing intelligence services for it will receive from them as well as contribute to them. In view of these facts, I believe that the Central Agency should be subordinate to a committee of those civil officials who are chiefly responsible for our national security. This will provide a guarantee of effective and impartial production of intelligence material and will insure against any possible perversion of Central Intelligence towards ends other than those of the broad national interest. The charge has been made that control by the Security Council would lead to military domination. It is perhaps enough to point out that the members of the Council, although some are heads of military departments, are all civilian Presidential appointees, subject to confirmation by the Senate.

Mr. Judd. May I interrupt? Do you think there would be an advantage of stipulating in the bill that the Director of the Central Intelligence Agency can have, if he desires, direct access to the President of the United States, who is Commander-in-Chief of the Army and Navy? I am thinking of the night before Pearl Harbor when the Intelligence tried to get this man and that man and could not find them. Here you have a board which has to be convened perhaps in an emergency. It seems to me he ought to have. It is implied, but it ought to be assured, the right of direct access to the President of the United States, or at least to the Secretary of National

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Defense, if this bill were to go through.

Mr. F. Sir, I agree with you 101 per cent, and this disaster of Pearl Harbor is very much on the minds of all of us, and it has had a great influence in our thinking. But I would like to distinguish between the responsibility and the organization, on the one hand, and the actual dissemination of intelligence on the other hand.

As far as the organization and control in the chain of command is concerned, I do not believe that it is necessary to put in the bill that the Director of the Central Intelligence must have direct access to the President, because the authority is all there, and the authority should, and the plan should be laid out in advance, so that there is no question whatsoever about the other side of the picture which is the dissemination, getting the news around. In getting the news around, the Director of Central Intelligence is responsible under the President's letter, if my memory is correct, to disseminate all intelligence to all responsible authorities, including the President himself, of any substance of any intelligence that any of those people need to know.

And in that respect, of course, the director of Central Intelligence should have, and does have right now direct access to the President, and the President relies on him to keep him informed. That is the way it is working right now, sir.

Mr. Judd. Proceed.

Mr. F. Domestic Security: It is my view that the activities of the Central Intelligence Agency should be confined to the field of foreign intelligence and that it should have no police powers and no domestic security functions other than those connected with the security of its own establishment. It is imperative not only for the production of good intelligence, but for the defense of the American principle of Government, that there be no confusion between the pursuit of intelligence abroad and police powers at home. It is significant that the merging of these two fields is characteristic of totalitarian states. Domestic security and foreign intelligence were controlled by the same hands in the last years of the Nazi state; they have always been in the same hands in the Soviet Union.

Parenthetically, what I have in mind is a distinction between the function of FBI and CIA. We do not want to encroach on the FBI and have no intention of doing that, and do not think it should be authorized at all. We do not want to build up a Gestapo or a super organization which will have potentially a sinister control of the lives of American people.

Mr. Hardy. May I interrupt there? By that same token, then, you say that we should not permit the FBI to do any intelligence work in foreign countries?

Mr. F. Not except in connection with their law enforcement

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work here in this country, and as a correlary to that, sir, I think I know what you have in mind. I think I can guess what you have in mind. In order to keep the two systems, the two spy networks, from getting in each other's hair, there must be either a very fine and efficient coordination with full information between the two organizations so where, as in Washington, or else we must rely on one organization to serve the needs of the other abroad, and the second organization to serve the needs of the sister service at home.

Mr. Manasco. Let me ask you at that point, suppose the FBI had been directed by the Attorney General to make an investigation of an opium ring operating from, we will say, China and San Francisco. The FBI investigators might run onto some information that would require one of their agents to go into China. You would not prohibit him from going there?

Mr. F. No, sir, I would not. However, that should be coordinated so that the CIG agents over in China would not be crossing wires with this fellow when he arrives from the FBI.

Mr. Manasco. The CIG agent would not necessarily be interested in the criminal actions that go on in the United States.

Mr. F. No, sir.

Mr. Manasco. It would be purely security .

Mr. F. I admit without any argument that there are

difficult problems that are going to come up in that connection, and my only solution that I have is men of good will to sit around the table and work them out.

Mr. Judd. Of the two alternatives that you have delineated, you prefer the former, good coordination.

Mr. F. I prefer the latter. I prefer to leave the organized spy networks abroad to CIG and any information that they get which is pertinent to FBI's work at home in the law enforcement field, let it be turned over to FBI by CIG.

Mr. Judd. By the same token, could FBI call on CIG for information regarding the source of opium that was coming from where we did not know, Iran or China or somewhere?

Mr. F. Absolutely.

Mr. Hardy. Granted that there is a possibility that operatives representing different agencies, operating in the same area might get in each others' hair, might they not get slightly different slants on a particular piece of information they are trying to secure so that put together it would make a better picture than the one-sided view that would be gotten from a single individual agency?

Mr. F. That is conceivable, yes, sir. Of course, any information that we get is usually checked from two or more different sources. For example, we may get from the broadcast which the Russian Government is making to the Russian people an indication that some political move is afoot. We get

the idea that they are preparing the Russian people psychologically for some important political move in the international field. We will want to have that deduction confirmed by some other source. This source is the Russian Government propaganda to its own people.

Well, now, perhaps we will ask CIC to get some information, if they can, from their agents, bearing on that particular problem, to confirm or not what we have deduced from these Russian propaganda broadcasts.

Mr. Hardy. The point I was trying to make, though, is if you have more than one agency securing information in a particular locality, are you not more likely to be able to get something you can rely on than you have a single one there, because it has got to be acknowledged that a lot of the information they get is deliberately planted for them.

Mr. F. That is right, sir. I do not think so, sir. That is an imponderable, and in a certain case what you say might work out that way.

Mr. Hardy. It might cost more money; it would cost more money.

Mr. F. It would cost more money, and it would lead to more difficulty, I think, than it is worth, because as I say, these people would not know each other's identity, and they would be spending their time chasing each other, instead of going after the real antagonist, the real intelligence target.

Mr. Hardy. You are presuming there that you would have direct employees over there, rather than that you might be working on local contacts, are you not?

Mr. F. Well, whatever you are doing, you have to have some men over there who are operating this spy network, and if you have two of them, they are going to get their wires crossed, and your men are going to devote a good deal of their energies uselessly to either keeping out of the hair of the other operatives, or else unknowingly they are going to be chasing each other, and not producing the information that you want.

Mr. Hardy. Thank you.

Mr. Chenoweth. Are you talking about the FBI yet?

Mr. F. Not particularly; any two organized spy networks.

Mr. Chenoweth. I thought you were making a distinction.

Mr. F. We started out that way, but I thought your question was more general.

Mr. Hardy. It was.

Mr. Chenoweth. You could not refer to the FBI as a spy organization; they are a law enforcement agency.

Mr. F. Yes sir.

Mr. Chenoweth. They have an entirely different function, no conflict whatever.

Mr. F. Not in function.

Mr. Chenoweth. They should not be in each others' hair

at any time.

Mr. F. They might be in the field of counter-espionage because that is also a function of FBI.

Mr. Chenoweth. So far as the foreign activity is concerned, there is no excuse for them operating in foreign countries that I can see.

Mr. F. No, sir, I do not mean that.

Mr. Chenoweth. That is your contention.

Mr. F. That is my contention, but that has not been the case.

Mr. Chenoweth. I was surprised when I learned today that they were operating in foreign countries. I did not know that. I thought they confined their activities exclusively to the United States.

Mr. F. Their responsibility is confined to the United States, but in meeting that responsibility, they do have interests abroad. It is a question of whether they are going to send their own people abroad to do that, or whether they are going to let CIG do that.

Mr. Chenoweth. I agree wholly with you that they ought to stay in this country.

Mr. F. I bring this up with some reluctance, because I do not want to appear to be engaging in special pleading, and I would like to say just a personal word, that I have no personal interest in this at all. I am not a candidate for

the office of Director of Central Intelligence. I have no objection to civilians. The question has been raised and I am trying to make a frank statement of it.

Mr. Judd. How did it happen that you were assigned to this? You say you have been in charge of it for two years. Was it because of experience or a routine assignment, or what?

Mr. F. I happened to be available for the job at the time.

Mr. Judd. You were not specially trained for it?

Mr. F. No, sir, I was not. That brings up another story which is not pertinent to this. And I feel that people should be trained for it, and I have taken the initiative in establishing an intelligence school for the Navy, which has been functioning now for just a year.

Mr. Manasco. You are not in the secret intelligence service?

Mr. F. I am in Naval Intelligence.

Mr. Lanham. What is that?

Mr. F. Office of Naval Intelligence.

Mr. Chenoweth. Tell us something about your naval career.

Mr. F. Yes, sir. I was appointed to the Naval Academy by Roy Woodruff, who is still a member of Congress, the first boy he appointed when he came here in 1913, and I graduated in 1917, a year early.

My professional specialty or technical specialty in the Navy

has been chiefly in communications, but I have had a very wide diversification of duty, watch officer, and gunnery, and navigator on three different cruisers, have had command of a destroyer and supply ship, and another destroyer and a cruiser. Most of my shore duty, except for this last tour in Intelligence, has been in communications.

I took a degree at Harvard University, sent there by the Navy, a master's degree, about five or six years after I graduated from the Naval Academy.

I have had this position as Chief of Naval Intelligence for just over two years.

Mr. Chemoweth. You certainly look to be a much younger man than possible to have had a career like that.

Mr. F. Thank you very much. I give my wife credit for it.

Mr. Judd. You are not expecting to stay in this permanently. This is a tour. What is the allotted time, usually three years?

Mr. F. In the normal course of events in peacetime, it would be three years.

Mr. Judd. Then you go to a battleship?

Mr. F. That would be the normal prognosis, yes, sir. What will happen in the next year, of course, nobody knows, and all of the peacetime routine has been completely upset. Our rotation of duty is largely a matter of expediency at the moment.

Civilian vs. military appointee as Director of Central Intelligence: The Director of Central Intelligence should be the man best qualified for the job, whether he be civilian or military. This is wisely provided for in the bill under consideration. I have heard many arguments on the merits of a civilian director, and I have no objection to the appointment of a competent civilian to the post, but there are also advantages to the appointment of a military man to the post.

In the first place his loyalty would be unquestioned, for any conceivable military appointee would be a man who had served his country faithfully for a long period of years under close observation. There can be no question but that absolute loyalty to the Government of the United States is the first requirement of a Director of Central Intelligence.

Secondly, a military appointee would be politically non-partisan. His complete independence from political ties or commitments would give assurance that the conclusions of the Central Intelligence Agency will be entirely objective.

Finally, a military appointee would be readily available, whereas the best qualified civilian might hesitate to accept a government post requiring almost certain financial sacrifices, or the abandonment of an established civilian profession. It is not recommended, however, that an officer, no matter how well qualified, be ordered unwillingly to the position of Director of Central Intelligence. A Director,

whether civilian or military, should assume the post voluntarily with the intention of devoting to intelligence the rest of his useful career.

I have on occasion heard the objection that a military man would be partial, that he would attach too much weight to reports from military sources. It may be answered that a military officer will be more sharply aware of military developments which impose a threat to our security. It may be similarly argued that a civilian would over estimate reports from civilian sources. Impartiality is not an attribute of either the civilian or military mind alone. It is a quality to be sought in a Director regardless of his past training or career. The practice of other democratic nations has almost invariably been to assign a military director to foreign intelligence and to make him responsible either to his country's General Staff or to its civil Premier. That is true, for instance, in Great Britain, France Holland, Belgium, Switzerland, and the Scandanavian States.

There has been a lot of confusion in the statements that have been made about that, and very often when they say that the Director of the intelligence service of some country is a civilian, they are referring to the counterpart of FBI, rather than to the counterpart of the Director of Central Intelligence here.

Covert Intelligence: I deplore the publicity that has

been given to intelligence. A part of this publicity has resulted from the publication of House Report No. 2734, 79th Congress, which has been widely discussed in the press. I emphatically disagree with the following two recommendations of that report:

- a. That the Director of Central Intelligence be a civilian.

I might qualify that by saying he must be a civilian and no one else, and not a military man. As I said before, I am in favor of the best man for the job, whether he be civilian or military, and I disagree with the next point:

- b. That the Director of Central Intelligence shall not undertake operations for the collection of intelligence.

My views regarding the qualifications for the office of Director of Central Intelligence have been given earlier in this presentation. As to the conduct of operations by the Director of Central Intelligence, I hold the view that certain operations can be more economically and efficiently performed centrally and that the Central Intelligence Agency should be authorized to undertake such activities.

I hold the view that covert operations should be controlled centrally and divorced from the departments having intelligence agencies for the following reasons:

- a. Central operation is more economical because it avoids duplication, reduces overhead, and assures that the needs of all departments requiring covert intelligence are

equitably met.

b. Central operation is considered more effective because it can cover the entire field of covert intelligence - a field which for its full exploitation must be world-wide and closely integrated, with no competing agents working at cross purposes.

c. Covert activities are occasionally exposed by foreign governments. It is desirable that no embarrassment, such as exposure may entail, should fall upon the State, War or Navy Departments which must protect the diplomatic standing of their missions and attaches.

It has been argued that the central agency should confine itself to coordination and analysis and refrain from the active collection of information. I am completely unimpressed by these arguments. As suggested above, there are important reasons for central control of covert intelligence collection. Such intelligence is important and must be gathered. The objections to assigning collection functions to Central Intelligence would apply also to assigning those functions to a single existing departmental agency. I believe that the advantages of economy, integration, and freedom from diplomatic embarrassment greatly outweigh any possible objections to the conduct of covert operations by the Central Intelligence Agency. The only other acceptable alternative to charging Central Intelligence with this part of intelligence

collection, would be to set up yet another central agency for the purpose, a wasteful and unnecessary expedient.

Mr. Judd. We have had a lot of testimony, partly in support of this view and some diametrically opposed. The basic reasoning of those who oppose it is that you have your eggs all in one basket and if it gets infiltrated by an enemy power, and you are trusting it, you have no correcting secret intelligence from other sources, and you put all of your chips, so to speak, on one play, and it goes wrong.

Mr. F. I have heard all of those arguments, and I think they can be countered. I will admit that on its face it does sound plausible, but when you weigh the advantages and disadvantages, I can not come up with any other answer.

Mr. Judd. The other thing you believe is that you believe that if the Central Intelligence takes over the secret intelligence, the Army and Navy and State Departments should get out of it.

Mr. F. Organized secret intelligence, yes, sir.

Mr. Judd. They should not have, as we had during the war, SI agents of those departments in addition to the Central?

Mr. F. Of course, the Navy did not have that in the war to any extent. Our secret work was casual, of the type that I have described.

Mr. Judd.. The Army did have.

Mr. F. The Army did have that, sir, and I did not intend

to bring this up, but just to prove my point, the Navy was never officially informed of the existence of that secret organization of the Army. We found only about it by accident and against the wishes of the Army. We stumbled onto it. They did not tell us that they had this outfit. They never offered the Navy the services, never offered to make it available to meet our needs.

Mr. Judd. Not only the services, but the information they got.

Mr. F. That is right. I was going to bring that up next. So far as I know, not one single bit of information that was obtained by that Army agency ever came to the Navy, and I think the same is true of OSS and State and all of the rest.

Mr. Judd. If you had your intelligence group, it would supposedly have received that, and then sent it over to you, and to the State Department as well as back to the Army.

Mr. F. Supposedly, yes, sir, but I hate to discuss these things, because they are not pleasant. But the fact is that there is a lot of professional jealousy as between one outfit and another. We saw it in OSS and the relations between G-2 group and OSS were miserable. You would have thought that one was the enemy, rather than the Germans and the Japs. One was the enemy of the other, and it was a most unsatisfactory situation.

Mr. Judd. The argument has been brought up that if

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you have Central Intelligence carrying on secret intelligence work, it will be so jealous of its particular work, it will not pay any attention to intelligence from other sources.

Mr. F. I know that, sir. I am completely unimpressed by that argument, because within Central Intelligence itself, it is necessary for security reasons to box off that particular function of Central Intelligence, and to the view of the evaluator over in the other box at Central Intelligence this is just some more information, and it does not make any difference whether it comes from a box in CIG or Naval Intelligence or State or whatnot. It is poured into this general pool. It is associated with information which comes from widely different sources as I tried to describe it, perhaps from Russian propaganda broadcasts or Russian people, and they weigh one bit of evidence against another, and come up with what is in their honest judgment the best deduction.

I can not see the force of that argument at all, and if the argument applies to CIG, it would apply equally to G-2, because G-2 has its evaluators, as well as its secret network.

Mr. Lanham. Would they have it except for local operations if we have the Central Intelligence?

Mr. F. Would G-2 have it?

Mr. Lanham. Yes.

Mr. F. They would have it for their own purposes,

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that is, their own military field, not so much the broad national intelligence. That would be a function of CIG. But so far as their local business is concerned, they would have it.

Mr. Judd. That is another point, that if you have just Army and Navy, it will be interested in intelligence that deals with this particular unit, its particular campaigns, but the country may need something bigger than that.

Mr. Hardy. The chances are that the Army and the Navy if they operated this clandestine intelligence would have to be doing it on a wide scale for it to be any good to them in planning any future campaign.

Mr. Manasco. They might be more interested in the size of the Army and the weapons that they have developed, and if we were to get into a war with another country, we would also want to know about their potential capacity to produce food and things like that.

Mr. Hardy. I think you are right about that, but is it not going a little far to expect the Central Intelligence or any one group to have agents qualified to get information along a wide variety of lines, and might you not have to have just as many people working under a central group as you would have if you had it under different groups?

Mr. Manasco. I think your overt intelligence has no intention of displacing the intelligence furnished by our State Department, by our commercial attaches, and by the

employees of the Bureau of Foreign and Domestic Commerce of the Department of Commerce. That is not contemplated in this.

Mr. F. No, sir.

Mr. Manasco. That intelligence is just as important as the clandestine or more important in the long run.

Mr. F. About 80 per cent of our take of our collections in overt is perfectly legal, legitimate, above board.

Mr. Hardy. You can not round it out without the clandestine.

Mr. F. They are complementary to each other, that is right. What we can not get overtly, we try to get covertly.

Mr. Manasco. You do not contemplate the overt acts of the State Department.

Mr. F. No, sir, it would be very uneconomical and unwise and impractical to do that, because that is why we have Ambassadors and Ministers abroad, for that very reason.

Mr. Manasco. And commercial attaches.

Mr. F. The Embassies and the Legations are there for that purpose, and they have access to the higher officials of the foreign governments that no secret agent could possibly hope to have access to on a perfectly open and above board understanding and arrangement.

Need for National Intelligence Legislation: The Central Intelligence Group has been confronted with the usual difficulties inherent in the early stages of any organization.

Its problems have been further complicated by the transition from war to peace and the uncertainty attendant to its lack of legislative basis. The final efficient performance of Central Intelligence will result only from careful organization and administrative planning, thorough training of its personnel, and the working out of the best machinery for cooperation with the departmental agencies. This will require that Central Intelligence have a permanent status recognized by law. With a Central Agency once established and given the go-ahead signal, there will be a sure increase in the contribution of intelligence to the security of this country. Marked economy will not come overnight, for we cannot, in our haste leave dangerous gaps. Many functions of the departmental agencies can be transferred only gradually to Central Intelligence and only when the transfers have been made will the departmental agencies be able to strip to their primary task of strictly departmental intelligence.

The comments set out above are general but I believe that they support the basic principles that should be considered in the establishment of a Central Intelligence Agency. The provisions of the National Security Act of 1947, S. 758, regarding Central Intelligence are also general. I would make only one change in the intelligence paragraphs of S. 758, increase the compensation of the Director from \$12,000 to \$14,000 per year, to make the position attractive to the

most competent man for the job. I understand that further legislation will be offered setting forth in detail the organization and functions of the Central Intelligence Agency. I would be pleased to comment on any such proposed legislation when drafted.

Mr. Judd. Let me ask you one more question. It is on this question of whether the Director should be a civilian or a military man.

Do you think that if the best man for the job is a man from the Army and Navy, and he is appointed as director of Central Intelligence, that he should resign so that he gives his whole undivided attention without any possibility of being influenced either by his former associations or present associations or his own hankering perhaps to get back into the service where he spent most of his life?

Mr. F. Yes, sir; do you mean resign or retire?

Mr. Judd. Either one. I think in any case, perhaps I should qualify the question, that he should resign or retire with full protection of his personal rights.

Mr. F. Yes, sir, that would be retirement.

Mr. Judd. Yes.

Mr. F. (a) He should certainly enter that job with the idea that he has burned his bridges behind him professionally, that he has given up any ambitions of becoming Commander in Chief of the Pacific Fleet, and so forth, and he is in the

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psychological frame of mind that he will devote the rest of his life, assuming his service continues to be desired, to the national intelligence authority, to that particular job.

Mr. Judd. And as a civilian, after he assumes it.

Mr. F. To all intents and purposes. If Congress believes that that is not sufficient, if they believe that however psychologically he might be prepared then for that, still two or three years later he might get a little disgusted with the way things are going, and he might have a return of a hankering to get back into the Navy, if they believe that, they would have to have some protection against that eventuality, then I would suggest that Congress write into the law that the individual must retire, not resign, because speaking quite frankly as a person now with natural human --

Mr. Judd. A family and a future?

Mr. F. -- motives and security reasons, a Naval officer is not very well paid, but there is one thing that he always has and carries in the back of his mind, "Well, as long as I live", that is assuming good behavior and reasonably competent performance of duty, "I know where my next meal is coming from", and he is retired at the end of his useful career or for physical disability or for failure of promotion or when he reaches the age 62, whatever the reason, he is given a fairly comfortable competence, enough so that he can go back

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in the Middle West somewhere, if that is where he wants to go, and he knows where his next meal is coming from. If you insist that this fellow resign and throw away all of those rights to retired pay that he has looked forward to all through his naval career, he is going to say, if I can speak frankly, "To hell with that job; I will not fool with that for one minute." You will not attract people to that in that way.

Mr. Judd. I do not think Congress would suggest that.

Mr. F. I want to make that distinction between retiring and resigning. Once he has retired, he can never entertain any ambitions from then on of ever getting back into the swing.

Mr. Judd. Do you feel that if the individual's personal rights are properly protected, that it would be better, he would be able to approach the thing with a greater detachment, if, as one witness here this morning testified, he ought to approach it as a man going into a monastery, "This is the place where I can make the greatest contribution to my country in my remaining days."

Mr. F. I have precisely that same philosophy about it.

Mr. Manasco. My idea, if the Congress makes the Director a civilian head, we protect the present Director, say, for a period of ten years, at the time he would reach his retirement age. It would take eight or ten years to train

a man like J. Edgar Hoover. He has made a lifelong career out of it, no politics involved in his position. There were some people who wanted to remove him and put somebody else in. He was born in the District of Columbia. I do not believe he has any politics. We hope politics will never enter into it, and to make a career out of it, make it attractive, to get some bright young fellow to start in work down there today, and maybe at the end of the present tour of duty, 10 or 12 years, whatever the age, the retirement age, then provide that the Director be a civilian. Certainly any intelligent President would appoint a fellow who had been working in there through that period of years and was trained. He would make it a life career, and we have protection of our career employees, of the civilian employees. That would make it attractive. We would have adequate pay for a man of the intelligence we would want in there.

Mr. Lanham. I believe the man ought to start right now if he is going to make any career.

Mr. Manasco. Of course, there is some question in my mind whether we should allow the fellows to think that they are going to be that man for a year, because you might get a fellow in there that would pull inside strings. We have politics in the Army and Navy.

Mr. F. I think it is just as well to have a little threat in there.

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Mr. Manasco. I can appreciate that, because you might get a fellow in there who was like some of our police chiefs, a good politician and a very poor police chief.

Mr. F. Well, you see, that is what you do, sir, when you require him to retire, because he has lost his chance of ever getting ahead in the Navy.

Mr. Manasco. That is what I say, I would not want to place any restrictions in this law that would affect that.

Mr. Lanham. He is on there for a tour of duty.

Mr. Manasco. I presume he will be there if we pass this law, and he is still head of the organization, I presume he will be there for the rest of his military life.

Mr. F. I have no right whatsoever to quote Admiral Hillenkoetter, because he will appear before you tomorrow and he can speak for himself.

Mr. Lanham. I believe he ought to be required to retire.

Mr. Manasco. I would not want to retire him at the present retirement pay. I would want him to be able to accumulate his retirement if he stayed in service.

Mr. Judd. Then he could retire, but with the assurance in the law that if at any time for whatever reason he withdrew from this position, he would leave at the retirement pay he would be getting if he were to withdraw from the Navy at that particular time.

Mr. Manasco. Build up his fogies.

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Mr. Judd. That is right. If they kicked him out at 55, they might have done that in the Navy.

Mr. F. You can cover that very simply, if I may make this suggestion, by saying if he is retired for any reason, he shall be retired with the pay of a retired officer of the rank of Major General.

Mr. Judd. That is okay.

Mr. F. Then his retired pay is three-fourths of \$8,000, which is \$6,000 a year. Now, the retired pay of a Rear Admiral of the upper half is the same as the retired pay of a Major General. The retired pay of the lower half is the same as the retired pay of a Brigadier General, which is considerably less.

Mr. Judd. Any further questions?

I am sorry more of the committee is not here. We have a wealth of testimony in this day of hearings. Are you going to be here after next week?

Mr. F. I am here right along. I have a commitment for tomorrow that would be very awkward for me to pass up.

Mr. Judd. We will meet at 10 o'clock in the morning for other witnesses.

(Thereupon at 6:50 o'clock p.m., the Committee recessed, to reconvene Saturday, June 28, 1947 at 10 a.m.)

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