

INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM

Executive Session

Thursday, September 26, 1946

United States Senate,

Special Committee Investigating
the National Defense Program.

The conference convened at 4:30 p.m. in Room 110

Senate Office Building, Washington, D. C., Senator James M. Mead, New York,
Chairman, presiding.

Present for the Committee:

Senator James M. Mead, New York, Chairman
Senator Harley M. Kilgore, West Virginia,
Acting Chairman*-
Senator Owen Brewster, Maine*
Senator Homer Ferguson, Michigan

Mr. George Meader, Chief Counsel
Mr. Francis D. Flanagan, Assistant Counsel

Also present:

Kenneth C. Royall, Under Secretary of War
Howard C. Petersen, Assistant Secretary of War
Brigadier General T. M. Osborne, Office of the
Under Secretary of War
John H. Hilldring, Assistant Secretary of
State for Occupied Areas

* Not present at beginning of session.

THE CHAIRMAN: The executive session will please come to order. The Under Secretary has a statement to make.

STATEMENT OF THE HONORABLE
KENNETH C. ROYALL,
UNDER SECRETARY OF WAR

MR. ROYALL: The question is whether or not you will conduct an investigation as to the occupation policies and problems and, if so, what type of investigation you will conduct. We feel that the decision is entirely up to the committee. Anything that you decide to do, in the absence of some inhibition we don't know about at the present time, we of course will acquiesce in.

However, we did want you to know that there is a very real fear in the War Department as to the practical effect on the conferences and decisions that have to be made by those who are charged with the responsibility both of the government and of the diplomatic contacts that might arise from misunderstood criticisms or the possibility of criticisms of the occupation, even though they might be justified. I don't indicate that they would be, but it might arise even if they were justified. It might weaken our position in the councils in which we have to engage and in our efforts to reach an agreement.

SENATOR FERGUSON: Of course, the question is whether, if the investigation is not made, the weaknesses will not hurt us worse in the councils. I think we have to try to decide which is the greater evil.

(Senator Kilgore entered the room at this point.)

MR. ROYALL: I think that is right. I think that is a perfectly logical position to take.

Mr. Petersen, the Assistant Secretary, is charged primarily with the War Department's responsibility in this matter of military government. General Hildring is the State Department representative. They know a great deal more about it than I do. I merely wanted to make that general statement and to give you this additional fact.

With the knowledge of your counsel, we have started an inspector general from this country on an investigation of various matters which have been indicated in the memorandum and have made him directly responsible to the Under Secretary's office and to the Secretary's office. He has not been sent overseas because we did not want to send him until we had this meeting with you. He has been investigating such of the people named as he finds in this country. I don't know exactly how far he has progressed, but he has been working on it for a week or so.

It was our feeling that possibly the same results might be obtained, and the objection which you raised, Senator Ferguson, might be met, if we could get a competent and independent investigation from here and make all features of it fully available to your committee. Then, after you had that report, you could reach your decision as to whether or not you

felt any further investigation was in the interest of the Government.

(Senator Brewster entered the room at this point.)

THE CHAIRMAN: I should like to point out for the two Senators that your statement concerns your fears of the effects upon the military government and its conference and councils with other nations.

MR. ROYALL: As I said in the beginning, the purpose of coming here was to discuss whether or not from the standpoint of the Government as a whole it would be wise to have an investigation of the military government by this committee or its investigators. We think the decision is for you gentlemen to make. We only wish to present from the standpoint of the War and State Departments the considerations which we think might make it disadvantageous to the Government as a whole to have this investigation.

You probably heard me say that I have appointed an inspector general in this country to report directly to the Secretary and myself, and to Mr. Petersen, and not to theater commanders, not to anyone overseas, as to his findings. We thought that would give the maximum of independence. We have no reason to think that the gentleman who is now on the investigation would not be equally as good, but we felt that possibly from his own standpoint and the standpoint of this committee and from the standpoint of the War Department, it

would be better to have the investigation made by somebody directly responsible to us.

SENATOR BREWSTER: You understand, Mr. Royall, that the contemplated procedure is to follow our usual course. The only reason there came any publicity on the matter was on account of certain delays, but now that seems to be repaired. The staff investigators who will go over, of course, will not be in any manner public. It would be simply to verify some of these statements which, if they are substantiated, are not of a character which would warrant leaving to War Department consideration alone because the charges, as you know, go very clearly to the high command as being responsible for failure to deal with these situations.

While this was the most definite presentation, the papers have been full of these charges, and every reporter has been over. General McNarney and General Clay both have issued orders which recognize most deplorable conditions, and those are seemingly going on from bad to worse. Within the week orders were issued over there that they were to treat Germans as human beings, from McNarney's headquarters, with a clear indication in the publication that that is exactly what they have not been doing and that it was bringing our entire occupation policy into disrepute.

Although the investigation which the staff would make might well be coincidental with yours, we have always had in

this committee and in the Pearl Harbor Committee most unhappy experiences in leaving the entire conduct of the investigation to the department involved. It simply is not in human nature for you to find yourself delinquent. We don't even find ourselves delinquent. I wouldn't want to investigate myself. At the end of two or three weeks, when your report presumably will be back and when our reports are back, I think at that time the committee will make its final determination about the subcommittee going over and about an investigation on the spot and about public hearings and anything of that character. It would be at that time, I think, that your representations might be renewed as to the possible deleterious effect of any public hearings.

I can appreciate that there are problems that might be presented, but on the other hand, if what is being told us is true, there has been a tragic failure to carry out your responsibilities there. If one-half of what is alleged is true, it is time something was done to straighten things out.

MR. ROYALL: Senator, as I said at the outset and repeated when you came in, you gentlemen will have to determine the course.

SENATOR BREWSTER: Yes.

MR. ROYALL: We are not trying to tell you what to do. In partial answer to what you say, it is not possible as a practical matter to prevent publicity. At least, it hasn't

been in the past with investigations even by your staff. I have a great deal of confidence in the members of your staff. In fact, in my dealing with them I have never known them to be other than straightforward and direct. What I say doesn't imply lack of confidence, but the mere fact that a committee as well known as this sends important members (and I assume you would send important members of your staff; you should if you are sending them on a tour of Europe) would undoubtedly be noted, and that in conjunction with the announcements that have been made in the paper so far would almost certainly reach the press and, we feel, might well have a bad effect.

SENATOR BREWSTER: On the bad effect, the matters which have been primarily stressed are black market and immorality, which I do not see could have any effect so far as other nations are concerned. Those are clearly within American purview, our responsibility. If our forces have not been conducting themselves properly, we ought to know it; and if they have, the people ought to know it. I think that there can be no international complication involved as far as those matters are concerned. As far as broader questions of occupation policy are concerned and how effectively your administration is carried out, when you get over into the British and Russian zones, of course then we do get into complications.

MR. ROYALL: Of course, I don't quite agree that that would not have a bad effect if there were investigation of

even the moral conduct. I do agree 100 per cent, of course, that—

SENATOR BREWSTER (Interposing): We get the venereal disease rate. What do you think of that? You publish that every week.

MR. ROYALL: That is right.

SENATOR BREWSTER: Can anything be any worse than that?

MR. ROYALL: Yes, it could be worse than that. The point is, there is no difference of opinion, and if the conditions need remedying, they should be remedied. I do ⁿ't agree, certainly, as a general rule, that investigations by the Inspector General's office of the War Department are not fair and frank and effective. I think they are. I think they are in many more cases than they are ineffective, but that is a matter of opinion.

SENATOR BREWSTER: I spent six months with Pearl Harbor, and the Senate was unanimous that the War Department and the Navy Department in five investigations had utterly failed to bring out the facts and the truth. That was the considered opinion of everybody concerned. So, I think your record is not good.

SENATOR FERGUSON: Of course, our experience has been bad with that. You remember, Harley, when we went out to Tucson, Arizona. We made an examination there and came back

and made certain recommendations.

SENATOR KILGORE: That is the time a major quite frankly admitted that he had taken a plane and flown all the records to Santa Ana so we couldn't see them.

MR. ROYALL: Of course, don't understand me to say there haven't been mistakes.

SENATOR KILGORE: He flew them there just that morning.

MR. ROYALL: As a general rule, all I can say about it is that if we investigate this matter, it will be very sincere and purposeful.

SENATOR FERGUSON: Of course, we are talking about a different administration than yours, the tool sale up in Michigan.

MR. ROYALL: I remember some questions which have arisen in the past. All I can tell you is that so far as it is within the power of my office, we will go ahead and make a fair investigation.

I have got to go, as I told you, and I would like you to hear--

SENATOR KILGORE (Interposing): Let me say something. The words "public hearings" have been mentioned rather broadly. My interpretation of our discussion this morning (and I have just asked Senator Brewster to confirm it) is that when and if the committee or a subcommittee thereof goes to Europe, the idea is not to have public hearings in Europe or anything of

that kind. It is just to go over and have some executive hearings and check up on what staff members find out. Any public hearings to be held would be held in the United States.

SENATOR FERGUSON: Take the testimony there in executive sessions. I don't think we had any public hearings while we were on the other trip.

MR. ROYALL: I realize that. I understood that that was to be true, but the point is the fact that you are over there for the purpose of investigating may have a bad effect. Here is what I would like to ask^K you gentlemen to do. Mr. Petersen, the Assistant Secretary, who has primary responsibility for the government over there, and General Hildring, who is the State Department representative, are here. In order that you may have before you the full consideration in this matter (I have to leave because I must go to the meeting which I told you about with the Office of War Mobilization, and I would like to take General Osborne because the matter also concerns him), let these gentlemen give you their views, just a brief summary of their views, as to the effect of this. Then you will have the facts before you, and you can make such decision as you think is in the best interest of the Government.

SENATOR BREWSTER: Mr. Royall, I would like to say to you that I was a little disturbed over this all being turned over to you. It was done without my knowledge, ^{Although} ~~although~~ my approval wasn't essential. But I trust you will make it per-

fectly clear to whomever you send out on this matter that any suggestions of avoiding responsibility or suppressing evidence or coloring the matter would be extremely unfortunate. Sometimes the people you send out get a misunderstanding of their mission, and instead of going out to find out the truth, they go out to suppress the truth.

Mr. ROYALL: Senator, I don't think anybody I sent out ever got that impression.

SENATOR BREWSTER: I am not suggesting that you have, but I am calling to your attention what happened in Pearl Harbor, where witnesses altered their evidence all around this world. They went all around the world and got men to alter their affidavits. We don't want anything of that character to recur, and you should make it clear to your representatives that the committee would consider it very unfortunate.

MR. ROYALL: As a matter of fact, I won't have to put it on the ground of its being unfortunate to the committee, because I have already put it on the ground that we want the true facts and the correct facts and all the facts. That will be the intention of any group that goes out. I think that we have selected a man, our Deputy Solicitor General, with a record of conscientious service and a sense of responsibility which is such that I am pretty confident he will get all the facts. As the members of your own staff know, as was true in your recent investigations, whenever we have had these matters investigated, it has been with the direct instruction, which has been followed as far as I have heard suggested, of getting

all the facts and making them all available to your committee. We will do it in any case you have.

THE CHAIRMAN: General, before you go I want to point out that our committee at no time turned this matter over to you.

MR ROYALL: THAT is right.

THE CHAIRMAN: I don't know how you got into this.

MR. ROYALL: I requested.

SENATOR BREWSTER: We turned over the record.

MR. ROYALL: The Record. We initiated the request.

THE CHAIRMAN: We didn't ask you to conduct your investigation.

MR. ROYALL: You did not, sir.

THE CHAIRMAN: At the last meeting of the committee before we adjourned, we decided that we would go to Europe.

MR. ROYALL : That is right.

THE CHAIRMAN: We decided that while there we would go into the matter of the military government. After that, I wrote a letter to every member of the committee asking them to tell me when they could go. I was very anxious for them to go even before this, but unfortunately most of them are running for re-election and they could not go. Regardless of your investigation, I think our committee (this is only my own personal opinion) should conduct its own investigation at the

earliest possible moment.

MR. ROYALL: There is no misunderstanding.

THE CHAIRMAN: We have no objection to your making an investigation.

MR ROYALL: I understood you didn't have.

THE CHAIRMAN: We understood that you decided on that perhaps because you heard we were going to. I don't know.

MR ROYALL: No. We did it because the evidence in your hearing had disclosed a situation that we think warranted an investigation. That is right.

THE CHAIRMAN: But you are initiating it yourself.

MR ROYALL: Absolutely. Oh, yes, we are initiating it ourselves.

THE CHAIRMAN: And it need not interfere with ours.

MR. ROYALL: It was designed to circumvent or to interfere with yours unless you yourselves decide that you don't want to investigate it. We are going ahead with our investigation from the standpoint of the War Department, and we will make available to you anything we find. That has been our policy and will continue to be. If the facts which your evidence has so far disclosed are found to be correct, this condition certainly requires remedying. There is no doubt about that. Nobody argues about that.

MR MEADER: Mr. Chairman, on the point of the ~~possible~~ possible deleterious effect of a congressional investigation,

I would like to have the record show that the British Parliament sent a committee on the 26th of June to investigate the conduct of military government in the British Zone. Some of the recommendations were rather critical of the conduct of military affairs, but there seems to have been no disposition on the part of their military authorities to resist such an investigation. In fact, they quote here in the beginning:

"Wherever they went in Germany, the subcommittee met with a most helpful attitude on the part of the British authorities and found the greatest facilities to see what they wished to see."

Apparently even in the parliamentary debate no question was raised of any possible harmful effect of a parliamentary investigation on the British policy or prestige, and the debates were very frank in the discussion of it.

SENATOR FERGUSON: They even draw the conclusion of better cooperation between these zones, going into the international questions.

MR. MEADER: It occurred to me that General Echols -- I wouldn't say invited an appearance before the committee, but he was very, very glad to come before the committee early last spring and point out the harm of the four zone administration. I think one of the principal desires of this committee would be similar to that of the British parliamentary committee, to try to tot up the bill that the taxpayers are paying under the present arrangement, which might not only not harm, but help Byrnes in his efforts to get unification

of the economy of Germany.

MR ROYALL: Don't understand that we are doing other than to give you a point of view, such facts as would make it possible for you to arrive at your own decision, and we are not requesting that you not go or requesting anything. We are merely giving you the facts. You have the responsibility, and you will make the decision. I must assume and I do assume that you are just as interested in the welfare of this country as we are. After you have the point of view and the facts presented to you, then whatever decision you make I am sure will be conscientiously arrived at.

SENATOR KILGORE: Let me say one thing before you go, General Royall, and cite a parallel case in this country. There were a lot of crashes and deaths in the early part of the war of planes in this country. Heat was put on the Military Affairs Committee to investigate.

SENATOR FERGUSON: It was put on this committee too.

SENATOR KILGORE: I am giving you the past history which you weren't in. The Military Affairs Committee voted finally not to investigate, at the urgent request of the War Department, who said that it would tend to disrupte the entire training program of the Army Air Corps. Heat was then put on the then Truman Committee. Some months went by, and the

crashes continued. One or two a day were being killed. Meantime, the Military Affairs Committee had been assured that the Army would clean up the affair. Then the heat got so intense that this committee had to go into it, and out of that arose all the repercussions and everything else of the Wright Aeronautical and Curtiss-Wright and various other plants and defective engines. There was conclusive proof that the lapse of time had cost the lives of quite a number of young men. I think the repercussions were worse than if the Military Affairs Committee had gone ahead quietly and investigated the wrecks and found out what was causing them and made the same recommendations to the War Department that the Truman Committee later made. Sometimes when a committee suppresses an investigation, it gets itself into more trouble than if it went ahead.

MR ROYALL: That is entirely a matter for you gentlemen to decide. Maybe we are wrong. It may be helpful. I am just expressing a point of view. That is all.

THE CHAIRMAN: It was always my intention and my belief ever since our subcommittee came back, in the discussion of the huge expense involved in the maintenance of this type of government in Germany and its effect upon our taxpayers, that we would be very helpful, and Homer Ferguson, George Meader, and I on different occasions have talked about going over there. In fact, we were always waiting for a sort of lull in the Senate when we could get over there and do something

that would be constructive and helpful both to the State Department and to our War Department. So, I really don't see anything that would be harmful.

MR ROYALL: Let me suggest something to you here. Of course, there is one analogy, which is not entirely close, but during the war it was the policy of your committee not to go into tactical matters. This is not a military tactical matter at this stage, but it has some of the same elements, and it is the same general thought that prompted your committee to adopt that policy that you had, and we think it ought to be given consideration.

SENATOR BREWSTER: You mean the disposition of our forces with a view to a future war?

SENATOR FERGUSON: No.

Mr. Royall: No, no.

Senator Brewster: That is what the implication of your remark is.

MR ROYALL: No, that is not the implication.

SENATOR BREWSTER: That, of course, is a very highly controversial matter. There has been a great deal of criticism about the location of B-29 bases, and so on. If that is involved in this situation, we certainly want to know about it as much as anybody else.

Mr. Royall: That was not the implication of my remarks.

SENATOR BREWSTER: Then, I don't know what "tactical" is. This is occupation. There is no war on.

MR ROYALL: I didn't say it was tactical. I said that was an analogy. The considerations that led to that are similar to those which might lead you not go go into this.

SENATOR BREWSTER: I wish you would develop that a little for me. I don't know what it means.

MR ROYALL: It merely means that in the relations with other nations--allies, potential enemies, or enemies-- this committee has in general stayed out of it. The reasons for that were considerably more important during wartime, but there are some of the same reasons existing today.

SENATOR BREWSTER: It was tactical. We haven't gone into the disposition of troops.

MR ROYALL: "Tactical " is a broad term. It doesn't necessarily mean where a particular unit is. May I suggest again, if you hear from Mr. Petersen and General Hildring, who know much more about the possible effect than I do, it would at least give you the background which I am sure you would like to have before you reach your final decision. Whatever you do, we are going to cooperate with your committee 100 percent. If you decide to send these investigators, they will get every assistance that is necessary and that can be given to facilitate their work.

SENATOR KILGORE: General, you can rest assured, as

you have always found in the past, that there is no disposition on the part of this committee at any time in its history and there is not going to be any disposition to attempt to throw any discredit. Rather, we shall try to correct mistakes when we find them and to try to suggest corrections. I don't think you will find that we are going out here trying to find a bug under a rug.

MR ROYALL: That is not the point. If what you find is wrong, it ought to be found and it ought to be corrected; whoever finds it, it ought to be found and corrected. On previous occasions I have given this committee credit for uncovering situations which it was helpful to remedy.

THE CHAIRMAN: We appreciate that.

MR ROYALL: I haven't always agreed with some of your conclusions, but at the same time I have never failed --

SENATOR FERGUSON (INTERPOSING) You agreed that we had the right to make them.

MR ROYALL: I agreed you had the right to make them, and I have agreed that in many instances you have uncovered situations which ought to have been uncovered and the remedy of which was helpful.

SENATOR KILGORE: You are like Mayor O'Dwyer of New York when you say our facts were correct but our conclusions were erroneous.

MR ROYALL: NOT ALWAYS.

(Mr. Royall left the meeting, and Senator Kilgore, the Acting Chairman, took the chair.)

STATEMENT OF THE HONORABLE
HOWARD C. PETERSEN, ASSISTANT,
SECRETARY OF WAR

MR PETERSEN: I shall speak very briefly to the effect on the administration of military government, and shall let General Hildring speak in respect to the relations with other nations.

I think what General Royall intended to convey, Senator Brewster, in saying that this was analogous to some extent to military operations during the war is that we are in the midst of a very difficult operation. It is fraught with all kinds of problems. We think we are pretty cognizant of them. We think we are making great effort to solve the problems.

Before you came in, Senator Mead was asking about the problems of the four zones and the cost to the American tax payers of our occupation. I went before the Senate Appropriations Committee on our appropriations, and I gave them a very black picture indeed and asked them for a very substantial amount of money. We had appropriated to us for civilian relief 425 million dollars for Japan and Korea, Austria and Germany. I told them we were trying to make progress on the flow of goods for export to cut down these costs but that the next fiscal year didn't show much prospect except in respect of

Japan for any substantial diminution of those costs.

MR. MEADER: Do you recall what the German cost was?

MR. PETERSEN: We got it in blank, and we have made our own allocations. We have allocated out of the funds that we have received thus far, for food for Germany, 96 million dollars. We have to go down to Congress in January and ask for an additional appropriation of some 360 million dollars.

SENATOR FERGUSON: You mean for food alone for Germany?

MR. PETERSEN: Food and military government costs. That is exclusive of pay of troops or military personnel. It is in our disease and unrest formula. That is for Japan, Korea, Germany, Austria, and our supply.

MR. MEADER: The British say that it costs them 80 million pounds a year. At four dollars, that would be 320 million dollars.

MR. PETERSEN: The British food requirements are about five times ours on the point of importation. They have a highly industrialized area, more populous than ours and much less agriculturalized than ours. We are more nearly self-sufficient food-wise than they. On the other hand, they have the coal, which is now the only going export item, you see. So, that rather balances off.

We are going to have to go down for additional moneys. That came about because (1) we have had an increase of about 100,000 Jewish DP's in our zone since we requested money and

(2) we have had about a 30 per cent increase in food costs. Those are the two biggest elements that apply to Germany. We have had another element, a very substantial element, applying to Korea, which is a program of economic rehabilitation and assistance to Korea which has been approved by the President.

The analogy to operation is this, it seems to me. It is a difficult operation. It is one that is going to take a long measure of time. Undoubtedly, mistakes have been made. There are undoubtedly bad things that can be found out about it. I haven't any desire at all to protect officers who are guilty of misfeasance or malfeasance. On the contrary, I think they should be rooted out and properly punished. I think the investigation that is now under way under General Cook of the things which you kindly gave to us, on the basis of which we initiated this investigation, will get to the bottom of these charges.

I deprecate, as you do, the high venereal disease rate. It is terribly high. I can give a good many reasons why it might be high. It has been a matter of very considerable concern to us all along. We have taken a number of steps to try to cut it down. We have decided that the thing to do was to publicize it. As you probably know, the rate is as high as it is largely because the venereal disease rate among the colored troops is so high. It runs something like from ten to twenty times the amount of the venereal disease rate among the

white troops.

SENATOR FERGUSON: What percentage of the troops over there are colored?

MR. PETERSEN: In Germany, on the continent today, I think it runs as high as 18 per cent. We have in the Army about 13 per cent Negroes. We have a program to reduce that 18 per cent down so that by the end of the year it squares with the Army's over-all percentage, which is about 10 per cent. But there is fraternization in Germany, as you know, and there is a widespread incidence of venereal disease and our men get it. That is a difficult problem in these occupied areas.

We are in this kind of goldfish bowl operation. It is true that matters of misfeasance and malfeasance or charges of the nature which appear in our press tend to discredit our operations in Germany with the German people. If you, officially, through an investigation, put a stamp of discredit, it seems to me--

SENATOR BREWSTER (Interposing): Suppose we should find it was false and very creditable.

MR. PETERSEN: But you have to consider the possibilities.

SENATOR BREWSTER: Your own fear is that these may be justified. If they were not justified, you will agree, I am sure, that it would be very beneficial if we could find that these newspaper stories were erroneous.

MR. PETERSEN: Senator Brewster, there is a tendency for investigations to ferret out the bad. I think you will have to admit that that is the case. That is what you are investigating. You are trying to correct evil. In doing that, it is very often the case that there isn't a balanced picture of accomplishments presented, that there isn't a picture presented of how much the evil relates to the good, or it is out of perspective in the light of the problems you have encountered.

Take the venereal disease rate. We have a lot of inexperienced troops. Through demobilization, they have lost their officers. They have new and inexperienced officers. They don't retain any of their unit spirit and all those things which go to make up a disciplined outfit.

SENATOR FERGUSON: Mr. Secretary, the things that surprises me is that none of these things had been called to your attention and, if they have, that they haven't been investigated. The surprising thing is that this thing would come to us. There are many other things that were coming, but this came specifically.

MR. PETERSEN: Senator, I don't quarrel with that. We have had lots of people arraigned for black market activities. There have been a lot of trials.

SENATOR FERGUSON: But the only fellows you try and sentence are the privates up to the sergeants. I have looked over your list.

MR. PETERSEN: Those involved in the jewel theft are all officers, and they were convicted the other day.

SENATOR FERGUSON: I have looked over your list, and you can't tell me that only the privates are stealing.

MR. PETERSEN: You can't tell me that only the privates are being punished, because I know.

SENATOR FERGUSON: I can, because I can show you the record. There were only two officers in the record that I saw. There were hundreds of them, and one was a captain who got a suspended sentence. The rest of the fellows were all sergeants, corporals, and privates.

MR. PETERSEN: As Senator Brewster pointed out, the theater commanders have taken cognizance of these conditions, and I am sure that they are doing the best they can to correct it.

SENATOR FERGUSON: These charges are against some of the theater commanders.

MR. PETERSEN: I read the paper very carefully.

SENATOR FERGUSON: Nothing has been done.

SENATOR BREWSTER: The testimony was that Clay must be cognizant of the behavior of certain of his high generals who were conducting themselves in a manner to destroy the morale of the whole troops. That was the charge. What do you know about that?

MR. PETERSEN: As to the facts of these charges?

SENATOR BREWSTER: Yes.

MR. PETERSEN: I know nothing.

SENATOR BREWSTER: That is certainly a very grave charge.

MR. PETERSEN: That is why we are inspecting them.

SENATOR BREWSTER: He specified the names of the officers whose conduct, and so on, was such, as the man said, that it naturally would destroy the morale of the whole occupying force when generals could do that. That is the sort of thing that we are concerned with.

MR. PETERSEN: I don't think there are any generals named, but I think there was one man who had been a general.

SENATOR BREWSTER: Oh, no. There was a general.

SENATOR FERGUSON: Who is the general who was named?

MR. PETERSEN: General Edmonds, who is now a colonel. He was the only one.

SENATOR FERGUSON: What was he demoted for?

MR. PETERSEN: In the regular process of demobilization.

SENATOR FERGUSON: In the regular process, not for conduct unbecoming an officer.

MR. PETERSEN: No.

SENATOR MEAD: I can't see, Mr. Petersen, why your Department should worry about an investigation of this matter by our committee.

MR. PETERSEN: My remarks go principally to the public

aspects. I personally am not afraid of it at all.

SENATOR MEAD: I think you are unduly alarmed. I think the committee's work would be very helpful, and I think it is something that we should do as a matter of plain duty before we finish our work. We have intended to do it all the time, and I would like to have it done with your encouragement.

MR. PETERSEN: If you decide to do it, we will cooperate to the fullest. May I make one point?

THE ACTING CHAIRMAN: Let me make a statement here, on the question of the misconduct of high ranking officers. I have recently talked to a number of young officers out in the Pacific Theater, and I have received stories from those officers in the Philippines about the misconduct of general officers, even to the question of hijacking cigarets for sale on the black market. I personally know from my conversation with those young men that that had ruined their morale. They wanted out of the Army. There were boys in there who probably would have stayed and made excellent officer material in the Army, but they became disgusted with the conditions they found in the Army.

The point I want to get to, however, is this. You will never convince the people that the Army inspecting itself is turning out all they know. On the other hand, we have had numerous occasions on which this particular committee was called into a situation and made a very frank statement when they got

through, clarified the situation, and quieted down a lot of public opposition. We did that on the Pacific Coast in the airplane investigation.

SENATOR FERGUSON: We did that in Hawaii and Puerto Rico as far as the Navy is concerned.

SENATOR MEAD: It had a very good effect.

THE ACTING CHAIRMAN: If it is all good over there, I think it would quiet the people's minds a whole lot in this country to get a report back from a congressional committee which has made a thorough investigation saying that it is grossly exaggerated, that this is balanced off, or that this is right and that is wrong. I think it might help. If the Army and the committee worked harmoniously together, I think possibly the committee might be able to help. Certainly we don't want to hurt.

MR. PETERSEN: I wanted to point out one respect in which you might hurt. I want to say one other thing, and I will finish.

The respect or lack of respect with which these operations are viewed by the German people is a very important element in the success of our military government operations. I think you will all grant that. It is not a carpetbagging operation. We are trying, through supervision, to get the Germans to conduct their own affairs. We don't attempt to run things. As you know, there are now minister presidents in three

American zones, and more and more responsibilities are being put on the Germans. We are in the process of trying to have a program of democratization and reorientation of the Germans, cutting out the nazi influences. In all that it seems to me that the confidence which the German people have in our forces and their conduct, which I admit will be injured by any immorality or any misconduct of individuals, is an important factor in the success of our operation.

What I am fearful of is that through possible public activities of the Mead Committee, you may get--I don't say that you necessarily will get, but you may get the occupation discredited not only in the eyes of our own people here in this country, which is important to the success of our occupation if you feel that we must stay in Germany for a long period of time, as I do, but in our daily operations in respect to the German people.

MR. MEADER: On that point, Mr. Petersen, if the committee finds, as appears to be from the first preliminary investigations, that we have gone pretty well along in getting the Germans to do their own administrative detail work, which is represented by an occupational military government force of only 6500 as compared to the 26,000 of the British, who were roundly condemned by this British committee for their not doing it, we could very well find favorably, if it turns out that the committee is satisfied that is so, and commend the

military government on that achievement. I don't see why you should feel badly about that.

MR. PETERSEN: I don't feel badly about that. Of course, there is another angle, which is that you can get a great deal of information about military government here, too. I will be glad to give that to you at any time. We are in day by day contact.

MR. MEADER: We have been receiving monthly reports ever since last spring.

THE ACTING CHAIRMAN: Three returning officers from the European Theater came to me about a month ago complaining of UNRRA. They had no idea of complaining about the Army. Their complaint about UNRRA was that UNRRA was accepting American officers who had succeeded in getting a discharge abroad for the purpose of working for them, and who procured their discharge for the purpose of continuing their black market operations under UNRRA which they had formerly operated under the Army.

MR. PETERSEN: Did they name names? If they did, I would like to get them.

THE ACTING CHAIRMAN: I can get hold of these officers. They came in complaining, and they said we should investigate UNRRA operations because it was breaking us down in the public opinion in the Balkans. They said that the fact that these former officers had continued (this is the way they expressed

it) the black market operation which they began when they were officers in the Army and succeeded in getting put in UNRRA to continue the same purpose and were doing that under UNRRA was breaking down the respect in those liberated countries over there.

SENATOR FERGUSON: I have a charge from China that I am going to take up with UNRRA. It comes from a big merchant.

MR. PETERSEN: I was just over there. I know all about it.

SENATOR FERGUSON: I will take it up with you, then.

MR. PETERSEN: I didn't have anything to do with it. It couldn't be any more serious than the charges that were made publicly by LaGuardia against the operations. I don't know whether they were made by LaGuardia. They were certainly made by Hoover when he returned. They have just sent over General Edgerton, as as an Army man, but drafted by the President for the job.

SENATOR FERGUSON: Of course, there is another thing that ought to be looked into, whether they are not taking a lot of old officers and just finding jobs for them.

MR. PETERSEN: I know something about that because I have been trying to get officers for UNRRA. Some of them happen to be old, but I can assure you that the old officers are a lot better than what UNRRA can otherwise get. Edgerton happens to be a fairly young officer and a very able officer.

SENATOR FERGUSON: For instance, one item that was called to my attention was that the Third Army was all ready to be returned; then they decided that they had enough appropriation to keep it over there until the end of the year, so they just cancelled the return and are going to stay over to use up the appropriation. That kind of charge is serious.

MR. PETERSEN: Very serious.

SENATOR FERGUSON: Very serious.

MR. PETERSEN: I thought that the Third Army had already been inactivated. Are you sure of your facts on that?

SENATOR FERGUSON: Yes.

MR. PETERSEN: They have been inactivated.

MR. MEADER: I think it was the first of August, and they were to be continued to the end of the fiscal year.

SENATOR FERGUSON: Yes, they are going to continue now until the end of the fiscal year.

MR. PETERSEN: I will check on that right away and let you know.

SENATOR FERGUSON: Just to give them jobs.

MR. PETERSEN: I don't think that is true.

SENATOR FERGUSON: That is what they tell us. When are they coming back?

MR. PETERSEN: I thought they were on their way back already.

THE ACTING CHAIRMAN: Are we through with Mr. Petersen?

MR. PETERSEN: I am through. That was all I had to say. I am glad to talk about any of these things forthrightly and frankly at any time and to give you any information that is in our possession. I hope you will avail yourselves of that offer.

SENATOR BREWSTER: We arrogate to ourselves no attributes of omniscience. We undoubtedly err as you do, but we happen to be the representatives of the people to survey these things, to make the appropriations. Whether or not we keep a proper perspective, of course, is like the Supreme Court--there is no particular appeal, but the record of the committee has been a fairly good one. I think it has commanded fairly general popular confidence. We used the Dies Committee as the terrible example of what we didn't want to do, and we have been pretty careful about it, I think. We used the Committee on the Conduct of the War after the Civil War as another model of what we didn't want to do, and we have avoided that. So, I hope when you appraise us you will bear in mind that we have some good marks as well as some bad ones.

MR. PETERSEN: I hope when you appraise us you will bear the same thing in mind, Senator.

SENATOR BREWSTER: We try to, and I think we have said some good things. We have certainly investigated thoroughly. I don't think any committee has ever been more careful. Every report we have ever made has been submitted to the

department before it was issued for any possible corrections, We have been meticulous in avoiding the usual errors of congressional committees. Perhaps we have fallen into some others.

SENATOR MEAD: Not only that, we have gone to great length to hold executive sessions before we left on these missions, we hold executive sessions for the duration of these missions, and when we return we call the responsible officers into executive sessions, point out the shortcomings of their divisions and their responsibilities. Only then, when all the work is done, do we move out into open hearings.

So, I think your fears are not well founded. Since we were, as an over-all committee, created by the Senate to look into the entire scope of the war effort, except its tactical and strategic phases, if we were to neglect such an important phase of it as military government, which is such a tremendous expense to the taxpayers--

MR. MEADER: And it has current interest.

SENATOR MEAD: --which is of current interest, and in which we have already made some preliminary investigations which reveal the shortcomings that are obviously there, I think we would be neglecting an obligation. So, we were just anxious to look into this before it goes too far wrong and to make such corrective action as we can while it is still possible to be made.

SENATOR FERGUSON: We found that even the announcement that we were going to look into it had a good effect. It even causes them to give us Cook's tours at times.

SENATOR MEAD: Oh, Yes.

SENATOR FERGUSON: It even caused the Navy in Puerto Rico to change the undershirts of the boys. They even put a special order out.

SENATOR MEAD: It had a corrective effect before, because where the morale of the boys may have been adversely affected, when they saw a Senate committee, representing the Senate and the people interested enough to look into it and to correct the situation. I think it helped their morale.

MR. PETERSEN: most of your things have been domestic, and this is a foreign matter.

SENATOR MEAD: Oh, no, we have been all over the world.

SENATOR BREWSTER: You are talking to a couple of gentlemen who traveled 45,000 miles around the world in 1943, and the hearings which we conducted and the report which we made have borne fruit in the Department of State as well as any other. The whole performance in North Africa was vitally affected, and orders were issued by Secretary Hull following the reports of Senator Mead and myself, and President Roosevelt adopted them as a result of reports which we made on conditions we found there at that time. The same thing is true of the

utter lack of coordination of all these agencies in India, Australia, and China. They were fighting like cats and dogs all around the globe among a half dozen different agencies that were functioning. The integration of those agencies, which I am sure you recognize under State Department control now, was originally recommended and urged by this committee, and I think it exercised a powerful influence in bringing that to pass. Certainly at the time there was utter lack of coordination.

I remember that the Minister in Australia, the Lend-Lease fellow, said, "For God's sake, don't put us under Johnson. We don't want anything to do with him." Johnson was the information officer, and he was the fellow who should have controlled it, and now we have accomplished that.

MR. PETERSEN: What Johnson was that?

SENATOR BREWSTER: Ambassador of Minister to Australia. Nelson Johnson, a very good man. They had this bunch of half a dozen different agencies fighting like cats and dogs down there in Australia. It was terrible.

MR. MEADER: I should like to add on this point that (I don't know that I can say it is more than a hint) General Clay himself would appreciate being requested to state certain things, that he is anxious to state them, but wouldn't want to do so without being requested by a Senate committee.

SENATOR BREWSTER: He doesn't want to be gratuitous

about it.

MR. MEADER: Some people who have been over there have indicated in that line that the committee could ask him to make statements concerning particularly the problems of dealing with the four zones which might help build up pressure and achieve programs that we haven't been able to achieve, and nobody disagrees.

SENATOR MEAD: Mr. Chairman, now that we have made it easy for the representative of the State Department, I think we ought to hear from him.

THE ACTING CHAIRMAN: Yes.

STATEMENT OF THE HONORABLE
JOHN H. HILLDRING, ASSISTANT SECRETARY
OF STATE OCCUPIED AREAS

MR. HILLDRING: Thank you, Senator. For two reasons I think I can make this statement of mine short. I am leaving in a few minutes for San Francisco to speak to the Legion on the opening day. The other is that the matters which have been discussed here-- the question of black marketing, venereal disease, and the moral behavior of the troops--are questions concerning the War Department and they have been ably handled, I think, by the Secretary and the Assistant Secretary.

SENATOR FERGUSON: But they do affect your relations.

MR. HILLDRING: They do affect everything that is done in Germany, Senator; they affect the effectiveness of the operation. However, the responsibility for the administration

of the policies in military government is that of the War Department. I don't mean that we don't pay any attention to the way in which the War Department administers the policy.

SENATOR FERGUSON: Of course, they are no more or less than police officers.

MR. HILLDRING: No, sir. The administration of military government is a function of the War Department.

SENATOR FERGUSON: That is what we want. We hadn't been told that in that language.

MR. HILLDRING: Yes.

SENATOR FERGUSON: And not the State Department?

MR. HILLDRING: Not the State Department. The military governors in all the theaters report back and are accountable to the Secretary of War. I don't mean to disavow interest or to say that we haven't any interest in it. We have a very great interest, but the responsibility--

SENATOR FERGUSON: (Interposing): Do you have control?

MR. HILLDRING: We have the closest relationship between State and War.

SENATOR FERGUSON: That wasn't my question. Do you have control?

MR. HILLDRING: No, we do not have control. The control is exercised by the War Department.

SENATOR BREWSTER: Who lays down the policy?

MR. HILLDRING: The policies are suggested by the

State Department, are approved for the Government by the State-War Coordinating Committee, called SWINK.

MR. MEADER: Have you added Commerce and Labor?

SENATOR FERGUSON: You have added Labor recently, haven't you?

MR. HILLDRING: No. Since I came into the State Department, I have mobilized the whole Government behind this activity.

SENATOR FERGUSON: I understand that for a while the Navy upset the monetary system that we were trying to get approved.

MR. HILLDRING: I think there was some delay, Senator.

SENATOR FERGUSON: Caused by the Navy.

MR. HILLDRING: In making a decision of transcendental importance. I don't believe--I can speak here because nobody has accused me, the State Department, in this thing, but I think I can say and I think General Clay will bear me out--

SENATOR FERGUSON: (Interposing): Did anybody in the Navy hold it up?

MR. HILLDRING: For a week or two or three.

SENATOR FERGUSON: That is quite a long time.

MR. HILLDRING: But, Senator, I want to say there again that I do not believe that the financial system of Germany--

SENATOR FERGUSON: (Interposing) Has it gone through

yet?

MR. HILLDRING: Yes, sir.

SENATOR FERGUSON: Did the War Department hold it up?

MR. HILLDRING: It has gone through. General Clay

has had the suggestion approved now for some time. I do say you have picked out, incidentally, the one stance out of the thousands we handle, out of the thousands of policy cables that have gone out to General Clay, that required a little time to resolve, and I think that when you look it over you will decide that it is the sort of decision that should not be made by any shotgun action.

SENATOR FERGUSON: Yes.

MR. PETERSEN: I would be glad to submit my record on that, and I was responsible for some of the delay.

SENATOR FERGUSON: I understood you were. I was just trying to figure out how the Navy was in there.

MR. PETERSEN: It is the State-War-Navy Coordinating Committee.

MR. HILLDRING: They are a member of SWINK.

MR. MEADER: Will you give us the channel of command from Clay up to the final top policy?

SENATOR FERGUSON: To get a thing approved.

MR. HILLDRING: Clay to McNarney to Peterson to State.

SENATOR BREWSTER: Why SWINK?

MR. HILLDRING: When we send a policy back. State has

suggestion, a suggested policy--

SENATOR FERGUSON (Interposing): No, no. Let's get it up through.

MR. HILLDRING: It gets to State now. It is on my desk.

MR. MEADER: You skipped the Joint Chiefs of Staff.

MR. HILLDRING: They are in there as a transmitting agency, and on some policies they are consulted with respect to military implications.

MR. MEADER: It takes them a week to declassify a document that the War Department declassified a year ago.

MR. PETERSEN: May I add one thing, General? In many cases--as a matter of fact, in the bulk of the business, the McNarney end of this was neglected.

MR. HILLDRING: Clay goes around McNarney; Clay to War Department.

SENATOR FERGUSON: Why do they have him there if they go around him? Rank.

MR. HILLDRING: Who? McNarney?

SENATOR FERGUSON: He has more rank than Clay?

MR. PETERSEN: Yes. He is Clay's boss.

SENATOR FERGUSON: Then he goes around his boss?

MR. PETERSEN: Clay is his deputy, but McNarney has given General Clay a very broad delegation of authority in this field, and he acts in a virtually autonomous position respecting

McNarney.

SENATOR FERGUSON: You didn't get us into SWINK.

MR. HILLDRING: I got you into State. We suggest a policy, we send it to SWINK, SWINK sends it to War.

SENATOR FERGUSON: Tell us who SWINK is.

MR. HILLDRING: Petersen, Sullivan, and Hilldring.

SENATOR FERGUSON: That is SWINK?

MR. HILLDRING: That is SWINK.

SENATOR FERGUSON: Nobody else has been added to SWINK?

MR. HILLDRING: Nobody else; State, War, and Navy.

To back me up, Senator, I have gotten Treasury, Commerce, Agriculture, and Labor on an advisory committee, of which I am chairman.

SENATOR FERGUSON: That is what I want to know about. What power has that?

MR. HILLDRING: No power, purely advisory.

SENATOR FERGUSON: When did you make that advisory?

MR. HILLDRING: Within the month. It was created as an advisory committee within the month.

MR. MEADER: It takes a little time for them to consider and to give you advice, doesn't it?

MR. HILLDRING: No.

SENATOR FERGUSON: They have to have all the facts; Schwellenbach has to have all the facts before he decides.

MR. HILLDRING: There are all kinds of decisions.

When you look into this, Senator, you will see. I am the hatchet man in this, the expediter.

SENATOR FERGUSON: Was this monetary matter submitted to Labor?

MR. HILLDRING: No, it was not.

MR. MEADER: How about Treasury?

MR. HILLDRING: Treasury, informally. We didn't have this advisory committee organized.

SENATOR FERGUSON: But they had no power.

MR. HILLDRING: They had no authority.

SENATOR FERGUSON: But the Navy had more power than Treasury.

MR. HILLDRING: Yes.

THE ACTING CHAIRMAN: Go ahead.

MR. HILLDRING: When a cable hits the State Department, if it has as its basis the reorganization of the monetary system of Germany, Senator, we can't handle that in a few hours.

SENATOR FERGUSON: I concede that, but I couldn't quite understand why the Navy had more power than the Treasury.

MR. HILLDRING: I think the reason is that the President has placed responsibility for the civilian side of military government on the policy level with the State Department. He has charged the Secretary of State--

SENATOR FERGUSON (Interposing): Is there a civilian side and a military side?

MR. HILLDRING: In the policy-making?

SENATOR FERGUSON: No, in the government.

MR. HILLDRING: I think in an activity like military government there should be.

SENATOR FERGUSON: My question wasn't whether there should be. You said it was all under the Army. Is it?

MR. HILLDRING: The administration of military government.

MR. PETERSEN: The operational aspects.

MR. HILLDRING: The carrying out of the policy, Senator.

THE ACTING CHAIRMAN: The policy is established by SWINK?

MR. HILLDRING: The policy is established by SWINK, but that policy is administered, is carried out, by the War Department. They are the executives.

SENATOR FERGUSON: The administrators.

MR. HILLDRING: The administrators.

MR. MEADER: You are a little bit inconsistent there. You said the policy was determined by State on civilian matters.

MR. HILLDRING: I said the policy is suggested by State to SWINK.

MR. MEADER: I thought you said the President had delegated to the State Department the civilian aspects of military government.

MR. HILLDRING: What he said to the State Department

was, "You will have charge of the formulation of the policy, and you will see to it that the other interested civilian agencies of the Government are brought into the formulation of this policy."

SENATOR FERGUSON: Then, State does form that policy on the civilian side.

MR. HILLDRING: We take a problem on any military government policy level, Senator.

SENATOR FERGUSON: On the civilian side of the military government.

MR. HILLDRING: They are all military government as such, blocking out the troops of occupation, yes, sir. They are what we consider civilian questions—trade, import, export, internal trade, transportation, agriculture, labor questions, and things of that kind. That is what military government is dealing with. The policies related to those are written down, suggested by the State Department after consultation with the appropriate civilian agencies of our government, and are turned over to SWINK largely for a determination of the military and administrative implications involved in that policy. After it has the approval of those three agencies, it goes to the theater command. Some of them take a little while; some of them we do in a matter of hours.

MR. MEADER: After SWINK has made its determination, does it go back through the same channels?

MR. HILLDRING: No. It goes to War and to Clay.

MR. PETERSON: I have one thing I would like to add to what you said, General Hilldring, that 90 per cent of the cable traffic day by day never gets to the State Department because the only time State comes in is when it is a policy question. Ninety per cent of the business is handled directly between the War Department and the field command.

THE ACTING CHAIRMAN: All right, now we have that ironed out.

SENATOR FERGUSON: In other words, if a black market case came in, it wouldn't go to State.

MR. HILLDRING: We wouldn't have anything to do with that, Senator.

On the question of whether or not the committee should investigate, again I want to say that of course that is up to the committee, and personally and for the State Department I want to say that is a decision for the committee to make. I think the Chairman understand that I am not averse to investigations. I have been before him a hundred times in the last six years in a variety of committees.

The only aspect of the thing that I wanted to discuss with the committee was the one relating to the effects that the investigation which the committee makes will have upon the very difficult job that my boss, Mr. Byrnes, is now involved in. There was one point in the memorandum I saw that really brought

me over here, and that was the question of the zonal division in Germany and the inability so far of the administering authorities to overcome the barriers which prevent the treatment of Germany as an economic unit.

I just want to say to the committee that the United States has fought those zonal boundaries since nine months before V-E Day. We started fighting the program the day it was suggested by the Russians. I think we have been fighting it consistently ever since. I want to point out to the Committee that the Secretary has been fighting it. He fought it in a statement he made in Paris when he invited his partners to join him, one or two or three of them, if they would, in a battle to batter down the zonal frontiers.

MR. MEADER: Wouldn't it be helpful in his fight to have this committee attempt to assess what it is costing the U. S. taxpayers for the continuation?

MR. HILLDRING: Yes, from that point of view there could be no harm, and Mr. Byrnes said that at Stuttgart. He pointed out how much it is costing.

THE ACTING CHAIRMAN: Aren't you aware of the fact that this committee, or a subcommittee, on a previous occasion advocated the abolition of zonal boundaries as a means of economically handling the occupation of Germany?

MR. HILLDRING: Yes, sir. What I am trying to say, Senator, is that there isn't any division of opinion in the

Government, legislative or executive, on that issue.

SENATOR FERGUSON: But you can't lose any more than you have lost. You have never gained a point on it. For the nine months before and during all the period of occupation you have lost every battle on it.

MR. HILLDRING: No, Senator.

SENATOR FERGUSON: How can you be any worse?

MR. HILLDRING: We haven't lost every battle.

SENATOR FERGUSON: You haven't changed it.

MR. HILLDRING: That was the point I wanted to make in protection of Mr. Byrnes. We have made progress.

SENATOR FERGUSON: How have you changed it?

MR. HILLDRING: We have the U. K., Great Britain, to agree with us on it now.

SENATOR FERGUSON: They have always wanted to do that. Even their report says that.

MR. HILLDRING: That is an improvement.

SENATOR FERGUSON: But you haven't been battling with Britain about it.

MR. MEADER: It is France and Russia.

MR. HILLDRING: It is with France and Russia.

SENATOR FERGUSON: Surely, and you haven't won those battles. We can't hurt you on that one, as I see it.

MR. HILLDRING: No, sir. My only thought is so long as we don't get involved in an investigation in the international

political field—

THE ACTING CHAIRMAN (Interposing): There is no idea on the part of the committee to go over to Düsseldorf or Frankfurt or some place like that and invite the public in and have a series of open hearings or anything of that kind.

MR. MEADER: There might be some that they would want. I think Clay might invite a chance to say some things.

THE ACTING CHAIRMAN: I mean public hearings, with the press and everything else. I don't think there is any disposition on the part of the committee. There never has been and I conferred with Senator Brewster before he left, and he said that was our agreement this morning in discussing the matter, that the hearings would be executive hearings. There is no objection to the Army and State representatives being in the executive hearings. As to inviting the public and the press, we have never done that before.

SENATOR FERGUSON: I wouldn't say that we would invite the Army officers in all the executive hearings.

THE ACTING CHAIRMAN: We might invite them.

SENATOR FERGUSON: Our experience has been that you just can't do it that way.

MR. MEADER: The question of public or executive hearings should be one to be determined at the time the committee goes over there.

SENATOR FERGUSON: Each hearing will determine that.

MR. MEADER: The Army might very well welcome public hearings, I think.

SENATOR MEAD: What I would like to know is this. I don't believe your fears are warranted. I believe this committee's work in Hawaii, the Caribbean, and throughout the world has been very constructive and has not yet in any way interfered injuriously with our international relations or with our war effort. What I want to know is how it came that you three men became so interested in these hearings. Did we furnish them with any information?

MR. MEADER: I think that should be cleared up on the record. This is what happened. I will have to take full responsibility.

MR. HILLDRING: I can't answer that question, sir.

MR. PETERSEN: You had never seen Miller's testimony. You had never heard of Miller.

MR. HILLDRING: I never heard of Miller, either.

SENATOR MEAD: I think that ought to be cleared up in the record.

MR. MEADER: Let me clear it up, and I will have to take full responsibility for it.

SENATOR MEAD: He said he didn't know how these people got the information.

THE ACTING CHAIRMAN: I think the Under Secretary explained that he heard about it and requested to see it, and

Mr. Meader conferred with Miller.

MR. MEADER: This is exactly what happened, and I think it should go into our record because the question has been raised and I have to take the responsibility for it.

I don't think that either you or Senator Brewster was in town at the time this occurred. General Osborne happened to be in my office when I got a call from Secretary Royall. Royall said, "Find out who the high intelligence officer is referred to in Senator Brewster's statement to the press." I think he described him as a high military intelligence officer who had just returned from Germany. It wouldn't have taken too long for G-2 to figure it out.

SENATOR FERGUSON: George figured out that G-2 could have found it out anyway in two months' time.

MR. MEADER: I refused at that time to tell Royall who it was. I understood that Under Secretary Royall had issued orders down through the line to find out who that man was. So, we called up Colonel Miller, who is under War Department jurisdiction, on terminal leave. I had mentioned to General Osborne at the time we had our hearing that I wasn't asking Osborne to produce this man and wasn't telling him about what we were going into, but I didn't want to seem to be doing anything without telling them at least that we were doing something about it. I didn't tell him the nature of it. Then I conferred with Miller, and he said, "I have no objection. I

don't care what the War Department does to me. I am not afraid. I will go over and talk with Royall if he wants to talk with me."

Royall didn't want to talk with him, but he did want his testimony, and with Miller's consent--he could have gone over himself and told the whole business.

SENATOR MEAD: So, you sent his testimony.

MR. MEADER: I sent his testimony on a confidential basis.

MR. HILLDRING: I haven't seen that testimony, sir.

SENATOR MEAD: The information came to General Royall as a result of an item in the press which came from Senator Brewster--

MR. MEADER: That is right.

SENATOR MEAD: --which prompted an inquiry which came to your attention and which eventually resulted in your sending Miller's testimony over to Royall.

MR. MEADER: Yes.

SENATOR FERGUSON: It should be understood by the War and State Departments that there are other things which have come to the attention of the committee besides Miller's statement. That isn't the scope of the investigation.

SENATOR MEAD: Surely, I think, George, we will say that after the subcommittee returned from Europe, the interest of this committee in military government activities

began to rise, and from that time on we have heard from people over there, including a friend of yours who has communicated with you with reference to the need for an investigation. So, it has been a case that we were trying to find a lull in the congressional proceedings so that we could get over there, and we didn't find that until just a few weeks ago when the majority of the committee, after adjournment, decided they wanted to go home. We decided we didn't want to come back and go to work and kill this time because they had been away from their homes for a long period of time. The work of a subcommittee or two that have been doing some work in the interim constitutes all the work that the committee has been doing.

(The conference adjourned at 5:45 p.m.)

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