PSF Federal Communications Commission July 2, 1943 - 1944

Subject File

"F"

Box 149

PSF F.C.C. folder 2-43

COMMISSIONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

ADDRESS ALL COMMUNICATIONS TO THE SECRETARY

T. J. SLOWIE, SECRETARY

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C.

July 2, 1943

Dear Mr. President

The attached are self-explanatory. You have undoubtedly seen the public charges in press dispatches emanating from Eugene Garey, Counsel for the Cox Committee, on this highly secret matter today.

All of this now fits into a complete and obvious pattern of thorough-going cooperation and liaison between the Cox Committee and the War and Navy Departments. In the near future I shall more completely develop this point; that is, that the whole attack on the Commission fits into one complete design. The long arm of coincidence is now over-extended.

The Army and Navy have moved in for the kill. The major outline coincides perfectly with the activity on the Hill. The vast detail of internal documents and intimate knowledge of internal affairs in these Departments can be explained only on the basis of the most complete cooperation, if not instigation.

The whole thing falls little short of an effort to seize control of the nation's communications and of the government's regulatory activities. I shall give you a more complete report in a few days.

As the attached will show, I have today drawn this matter to the attention of the Attorney General.



Faithfully yours

James Lawrence Fly

Attachments

The President
The White House

An examination of Admiral Redman's testimony before the staff of the Cox Committee quickly reveals why arrangements were made to have him appear in a Mayflower Hotel room rather than at the Committee offices, as was done with other witnesses.

The whole statement is shot through with misstatements, half-truths, uncorroborated hearsay and fanciful rumors, in many cases freely volunteered without even the excuse of a leading question in a vicious attempt to transform some rather insignificant differences of opinion into a personal attack.

Admiral Redman freely criticizes actions of the President and Congress, all of the administrations of the old Radio Commission as well as of the Federal Communications Commission, the State Department, the Maritime Commission, the Foreign Broadcast Intelligence Service as well as the Radio Intelligence Division. In fact, he as well as other high ranking military and naval officials have in the past commended FBIS and RID for its work. Strangely enough, he criticizes Chairman Fly for favoring international merger at the same time stating that the Navy and he, personally, favor a merged international carrier. In fact, he and the Navy have publicly opposed it.

The record shows an ignorance of the government's communications problems that is alarming in one with the responsibilities of the Director of Naval Communications. Not only did he admit a lack of familiarity with Army communications activities, but in addition his statements show a startling ignorance of the functioning of the Federal Communications Commission. His conception of the purpose and functions of the Board of War Communications falls so wide of the actual situation as to indicate that his votes at Board meetings have been freely cast without any real understanding of the basis for Board action or the implications of the action taken.

In his discussions, Admiral Redman has completely disregarded limitations of secrecy placed by the Joint Chiefs of Staff on activities of the Board and the Commission. He did not hesitate to discuss highly secret operations of the Army, Navy, FBI and RID. The testimony divulged regarding RID covers a highly secret matter which is at present receiving the President's attention. At the same time he attacks the Federal Communications Commission falsely accusing them of a complete lack of security in its operations. The transcript indicates that numerous discussions, important from the viewpoint of security, were made off the record. In view of the startling testimony freely volunteered in the record, one can only conjecture as to the extremes to which the witness went in requesting that certain discussions be held off the record.

This whole record, supplemented by Mr. Eugene Garey's letter of June 25 to the Secretary of the Navy, exposes a complete and intimate knowledge by the staff of the Select Committee of Navy personnel, Navy files, of internal office memoranda, of specified communications, both internal and external, including the most secret and confidential materials. I should like to have a prompt report as to the specific method by which all of this data and information from the Navy Department came into the hands of this Committee.

July 2, 1943

The Honorable

The Attorney General

My dear Mr. Attorney General

My attention has been drawn to a public release of Mr. Eugene L. Garey, General Counsel, Select Committee to Investigate the Federal Communications Commission, of certain secret documents signed by the Secretary of War and the Secretary of Navy. I draw this to your attention for such action as you may deem proper.

Sincerely yours

JAMES LAWRENCE FLY

James Lawrence Fly
Chairman

Delivered at 11 a.m., July 2, 1943
by Special Messenger. fdm

BF F.C.C. folder 2-43

THE WHITE HOUSE

WASHINGTON

July 3, 1943.

MEMORANDUM FOR

THE PRESIDENT

Jim Rowe telephoned to say that he thought you ought to put the FBI in on the FCC matter and have them find out how the secret documents got into the hands of the Congressional Committee. Jim understands the Committee has had them for the last month or two. He thinks the Kerr Committee investigating subversive activities had these documents.

Jim suggests that the FBI check every agency in town -- but not the Congress, as they would charge that you were using Gestapo methods.

Jim feels that unless this is done -- and quickly -- that all secret and confidential documents and memoranda in Government files will be turned over to Congressional Committees.

He also suggests that you might want to have General Marshall, Admiral King and Chairman Fly get together with you and then give out a statement.

G. G. T.

PSF F.C.C. folder 2-43

July 3, 1943.

MEMORANDUM FOR

THE PRESIDENT

1. The material which Mr. Fly was to deliver to you yesterday was sent up in the pouch last night.

2. The Cox Committee released to the public, in mimeographed form, the secret documents of the Joint Chiefs of Staff and the Secretaries of War and Navy, together with the proposed Executive Order.

3. Mr. Fly reported the matter to the Attorney General by letter yesterday.

4. As Mr. Fly's memorandum will indicate, both in its broad outline and the coincidence of dates and in the vast detail of the documents and files, including a lot of specific intra-office material, it now becomes obvious that the military end of this thing and the Cox end are tied completely together. This is all one fight. Cox could not have had that vast detail without complete detailed cooperation all along the line from War and Navy. If you will read Garey's letter of June 25th you will see right there that the Committee has had the most complete cooperation of that Department. The same thing appears in the documents re Redman's testimony.

5. Regarding Nelson Lee Smith for the vacancy on the Commission, I talked with Mr. Smith about the policy on newspapers and he is in complete accord. It is my suggestion that if we are going to move, the appointment should be made and get it over with.

6. If Craven is called to the Navy, then I would recommend Ewell J. Jett, Chief Engineer of the Commission, who is retired from the Navy and a grand man. He would be a splendid man to take Craven's place.

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COMMISSIONERS

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ADDRESS ALL COMMUNICATIONS
TO THE SECRETARY

T. J. SLOWIE, SECRETARY

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C.

July 6, 1943

File Personal

Dear Mr. President

If you have not already answered letters from the Secretary of War and the Secretary of the Navy as to how they shall respond to the request from the Cox Committee, I would suggest the use of the attached form. You may feel that I am over-reaching a bit in the last paragraph; it will, however, be helpful if you feel it an appropriate instruction for you to issue.

You will note my effort to keep these things out in the open. I seriously doubt if Admiral Redman would have done anything like the job he did if the testimony had been given open and above board rather than in a Hotel Mayflower bedroom.

Most sincerely

James Lawrence Fly

Attachment

The President
The White House



MEMORANDUM TO THE SECRETARY OF WAR AND THE SECRETARY OF THE NAVY:

With respect to the letters dated June 25, 1943, from Eugene L. Garey, General Counsel of the Select Committee to Investigate the Federal Communications Commission, I should like to have you advise the Committee that its request will be complied with in so far as it relates to matters within the scope of the Congressional Resolution, namely, activities of the Federal Communications Commission, and does not extend to other matters, in particular the Board of War Communications, its formation, jurisdiction, activities, etc. The Committee should also be informed that no documents will be produced or testimony given with respect to matters deemed by the War or Navy Departments to involve secret or confidential information. Inform the Committee that subject to these restrictions the officers named will all be made available for testimony before the Committee itself in open session and that the requested documents will be produced at appropriate times upon the appearance of such witnesses before the Committee.

Please point out to the witnesses that they should decline to answer questions dealing with secret or confidential information or which relate to matters outside the scope of the Resolution.

Will you please see that Mr. Fly is supplied promptly with statements of the substance of testimony by officers who have already appeared in the closed sessions, as well as with copies of all documents which anyone in the Departments has furnished to the Committee or its staff. Will you also inform Mr. Fly of any future requests for officers to appear as soon as such requests are received and furnish him with copies of all documents which are to be produced by any witnesses.

F. D. R.



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F.C.C. folder
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WAR DEPARTMENT

OFFICE OF THE ASSISTANT SECRETARY

WASHINGTON, D.C.

11 July 1943

MEMORANDUM FOR GENERAL WATSON:

The release given by Mr. Garey, Counsel for the Cox Committee, for publication in today's papers, refers to "a resume made by the War Department" of Admiral Hooper's testimony. This "resume" was prepared by an Army officer in May after Admiral Hooper had testified in executive session before committee investigators. The document had no letterhead, date line or signature and was classified as "secret" by the officer who made the notes. It was not given to the Committee or any of its representatives by the War Department. In fact at no time has the War Department given the Committee any document, information, or testimony.

At the request of the Navy it was furnished with a copy of the "resume" in May. Thereafter without prior knowledge of the War Department, we understand that this paper was given to the Committee by a Naval officer.

On June 4 the Committee informally advised the War Department of its intention of calling a War Department witness. The War Department immediately advised the Bureau of the Budget and the Department of Justice of this fact. Thereafter on June 5 the President sent a telegram to the Secretary of War stating that no Army officer should testify before the Committee.

Yesterday afternoon Chairman Fly communicated with the War Department in reference to Mr. Garey's release. The War Department advised Chairman Fly as follows:

> "The release given by Mr. Garey, Counsel for the Cox Committee, refers to "a resume made by the War Department" with respect to Admiral Hooper's testimony.
>
> "The paper consisted merely of notes made in May by an Army officer to whom the Navy had loaned a copy of Admiral Hooper's testimony. The notes do not express the view of the War Department, but merely this officer's own

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comment. They were not furnished by any officer in the Army or anyone in the War Department to the Cox Committee."

It is believed that you should be advised of these facts as they may be of interest to the President.

John J. McCloy
Assistant Secretary of War

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

Confidential

JAMES LAWRENCE FLY
CHAIRMAN

July 21, 1943

Dear Mr. President

This is the report I promised you some days ago which sets forth convincingly the story of the close and wellnigh tragic cooperation between certain ranking naval officers and the Cox Committee.

The volume looks a bit ominous, but the main bulk is composed of essential supporting documents. The memorandum in chief is only seven and one-half pages in length and will require a reading time of not more than twelve minutes.

Faithfully yours

James Lawrence Fly

Enclosure

The President
The White House

PSF
F.C.C.

[redacted]

MEMORANDUM TO THE COMMANDER-IN-CHIEF:

RE: 1. Cooperation of Admirals Redman and Hooper, Commander Willenbucher, and Lieutenant Commanders Segal and Patrick with Eugene Cox and Eugene L. Garey (p. 1).

2. Aims and Purposes of the Above Naval Group (p. 2).

3. Cox's Claim of Army-Navy Support (p. 3).

4. Details of Naval Support of Cox: Testimony of Hooper, Redman, and Willenbucher before Eugene L. Garey (pp. 3-4).

5. Lack of Army Support of Cox (p. 5).

6. Attempt to Draw in Others (p. 6).

7. Labor-Baiting and Pro-Monopoly Activities in the Office of Naval Communications (p. 6).

8. Violations of Military Secrecy (p. 7).

Exhibit A. Comments on Testimony of Admiral Hooper.
Exhibit B. Comments on Testimony of Admiral Redman.
Exhibit C. Letter of Eugene L. Garey to the Secretary of the Navy.
Exhibit D. Letter of Eugene L. Garey to the Secretary of War.
Exhibit E. Text of Memorandum Supplied Garey by Admiral Hooper.
Exhibit F. Text of "Resume" by Colonel W. T. Guest, procured for Garey by Admiral Redman.

It can now be established from the known record that the current "investigation" of the Communications Commission represents the joint and closely coordinated efforts on the one hand of Eugene Cox and his Liberty League counsel, Eugene L. Garey, and on the other hand of the following handful of anti-Administration Naval and Naval Reserve officers clustered in or around the Office of Naval Communications:

Rear Admiral Joseph R. Redman, Director of Naval Communications, whose specific activities are set forth below.

Rear Admiral Stanford C. Hooper, Retired, labor-baiting, pro-monopoly officer whose memoranda and testimony have supplied Cox and Garey with their chief ammunition, and who later informed the Cox Committee that he would like to testify even further but was prevented from doing so by order and by the possibility of disciplinary proceedings. Admiral Hooper, retired at 59, is now in the employ of certain communications companies.

Commander Franz O. Willenbucher, Retired, Chief of Admiral Redman's "Legal Division", anti-Administration and anti-labor friend of the big communications companies, liaison man for Naval Communications -- a younger and more blatant edition of Hooper. Like Redman and Hooper, Willenbucher was a voluntary witness before Garey and in other ways actively collaborated with Garey and Cox.

The following reserve officers on Willenbucher's immediate staff and in close collaboration with Redman, though not appearing of record, have been active in collecting the "dirt" and syphoning it through their superiors to Cox and Garey:

Lieutenant Commander Paul M. Segal, the radio industry attorney whose hatred of the Commission dates from 1937, when he was severely disciplined by the Commission for having tampered with its files and for having set up dummy corporations to prosecute fake applications before the Commission. Thereafter, Segal set up "Independent Radio Network Affiliates", purportedly representing independent stations in the Commission's monopoly investigation but actually found to be a stooge for the networks.

Lieutenant Commander Duke M. Patrick, reactionary Republican, General Counsel of the Radio Commission under Hoover, and until called to active service, counsel for the big networks. Patrick was co-author of the anti-Administration Sanders Bill, designed to eviscerate this Commission, which was defeated in 1942.

Aims and Purposes

The dominant purposes of this group are to discredit the Administration, to injure this Commission and to establish military controls over all civilian and governmental communications. Since Cox introduced his first resolution to investigate the Commission, they have:

(a) sought to force the Chief Executive to divest the Commission of its radio intelligence work and functions;

(b) sought to force the Chief Executive to establish a "National Communications Board" on which the Army and Navy will have majority control and from which the Commission will be excluded; to make both the Board of War Communications and the Commission subservient to this Board; and

(c) sought to take control of the Interdepartmental Radio Advisory Committee, which allocates Government frequencies, away from the present Board and to make it subservient to the Army and Navy.

The net result of this full program would have been to give the armed forces unfettered domination over all radio, including the civilian radio and communications industries, the F.C.C. and B.W.C., and the communications activities of the other government agencies. Admiral Redman in testimony before Garey recorded in Room 537 of the Mayflower Hotel on June 4, 1943 (see Appendix A) and Admiral Hooper in his testimony and in the memorandum which he delivered to Garey (see Appendices B and E) have both stood sponsor for all three planks of the program.

In promoting its ends, the Naval and Naval Reserve group did not proceed by meeting or conference with the other agencies involved, but by preparing documents damning the Commission and alleging inefficiency in the present Administration set-up. Their documents, though poorly designed to achieve the ostensible purposes for which they were prepared, were admirably suited to discredit this Commission

and the Administration. Though labelled secret, some of the documents and related information were given to Cox and Garey shortly after they were sent to the White House, and have now become the only effective Cox ammunition.

Cox's Claims of Army-Navy Support

For months Cox has privately hinted that he had the Navy's cooperation. On January 19 of this year, while his investigating resolution was before the House, Cox said on the floor:

> "The resolution which I offered was the result of representations made to me * * * by * * * people connected with the Army and Navy * * *. All these people insisted that Mr. Fly, Chairman of the Commission, was undertaking to set up a despotic dictatorship over all media of communications."

In the middle of February, during a move to strike the entire 1944 Commission appropriation from the Independent Offices Bill, Cox said:

> "At the present time we find the Army and the Navy subordinated to him and if the /Appropriations/ Committee had found it possible to have consulted the Army and Navy, disclosures would have been made to it that Mr. Fly is a terrible handicap to them."

Details of Naval Support: Testimony of Hooper, Redman and Willenbucher before Eugene L. Garey

Cox's claim of support from "people connected with the Army and Navy" is now known to be true with respect to this Naval and Naval Reserve group.

The record shows that Admiral Hooper voluntarily testified before Eugene L. Garey at a "private hearing" on May 3, 1943, and again on May 11 and May 14 at the Naval Medical Center in Bethesda, Maryland. His testimony includes an attempt to link the President of the United States to Communists (p. 96); the revelation of military secrets (pp. 63-65, 78, 82, 109, et passim); labor-baiting unbecoming an officer (pp. 92, 96-97, 127); the retailing to a

Congressional organ of unverified gossip (p. 140); comments on civilian matters wholly outside his or the Navy's province (pp. 129); etc. See Exhibit B.

The record further shows that Admiral Redman voluntarily testified before Garey, in secret, in Room 537 of the Mayflower Hotel, on June 4, 1943. The transcript shows that his testimony contains false, erroneous, and misleading statements; attempts to involve the Army in his allegations; derogatory comments on matters wholly outside his or the Navy's province; bids for Congressional support against decisions of the Commander-in-Chief; support throughout of Hooper in the various matters listed; etc. See Exhibit A.

Commander Willenbucher similarly testified before Garey voluntarily and in secret, on June 5, 1943. The transcript of his testimony shows that he revealed to Garey the confidential deliberations and votes of the Board of War Communications (pp. 8-11); volunteered information concerning matters outside his and the Navy's province (pp. 33-34); made false charges against the Federal Communications Commission (pp. 40-41); and like Admirals Hooper and Redman, supported before a Congressional Committee various Executive proposals either rejected by or pending before the President -- e.g. the establishment of a National Communications Board (pp. 17-19), the transfer of the F.C.C.'s Radio Intelligence Division (pp. 19-32), etc.

In addition to the above statements "on the record", Admirals Hooper and Redman, and Commander Willenbucher, all indulged at crucial junctures in "off-the-record" remarks before Garey, as shown by the transcript itself.

The testimony of all three is interlaced, and shows a concerted plan (a) to discredit the F.C.C., (b) to discredit the present Executive determination of functions, and (c) to procure Congressional support for a National Communications Board under Army-Navy domination, a transfer of the Interdepartmental Radio Advisory Committee to Army-Navy domination, and a transfer of the F.C.C.'s Radio Intelligence Division to the Army and Navy.

As a result of Hooper's, Redman's, and Willenbucher's testimony and other activities, Garey and Cox have been able to brew their charges against the F.C.C. and Administration. The Garey letter to the Secretary of the Navy dated June 25, 1943 (Exhibit C, attached) shows on its face a most detailed knowledge of secret Naval matters--operations in Alaskan waters, the locating of enemy units on land and on the high seas, the deliberations of the Army-Navy Joint Board, etc. It contains 25 numbered paragraphs requesting particular Naval files and documents; of these 25, some 16 are clearly traceable to matters in which Admiral Hooper was active and 7 of the remaining to Admiral Redman's hotel-room testimony. The Garey letter also lists 18

separate topics concerning which testimony of Naval officers is "required"; all but one of these 18 topics is derivable--and many are derived almost verbatim--from the Hooper-Redman-Willenbucher testimony. So detailed is Garey's knowledge that at one point he is even able to tell the Secretary of the Navy in which Navy Department file a memorandum which he "requires" will be found.

The conclusion is clear that Garey and Cox are relying directly on Redman, Hooper, and Willenbucher, and indirectly on their Naval Reserve subordinates, for substantially all of their ammunition. There is little indication that any other Naval officers have taken time from their war duties to participate in the Cox-Garey projects.

Just as Admiral Redman and his staff have aided Cox and Garey in discrediting the Commission and Administration, so there is reason to believe that Cox and Garey are aiding Redman in achieving his ends. A letter from Majority Leader McCormack to Marvin McIntyre about two months ago indicates that political heat was being engendered to force the President to acquiesce in the proposed Executive Order hacking off the Commission's radio intelligence activities.

Lack of Army Support

There is little indication that the Army has in fact been active in these matters. The Chief Signal Officer, Major General Harry C. Ingles, has stated that the Army Signal Corps did not originate the plan to seize the Commission's radio intelligence facilities and personnel. The Chief Signal Officer and his senior assistant, Brigadier General Frank E. Stoner, have both assured me that the Army has delivered no documents to Cox and Garey.

The Garey letter to the Secretary of War (Exhibit D) reveals no detailed knowledge of inner War Department activities and in most respects merely duplicates the Hooper-Redman information contained in the letter to the Secretary of the Navy. The only Army document known to be in Garey's hands reached him under the following circumstances. Some time after Admiral Hooper testified in private, Admiral Redman took a copy of Hooper's testimony, and handed it personally to Colonel Wesley T. Guest of the Army Signal Corps -- not to the Chief Signal Officer. Guest, whom Redman apparently considered the Army officer best suited to "do a job" on the Commission, then made a resume of and comments on the Hooper testimony (Exhibit E) and, without authority from the Secretary of War, the Chief Signal Officer, or the senior assistants to the Chief

Signal Officer, handed a copy of his highly critical resume and comments to Admiral Redman, who personally delivered it to Garey -- presumably at the Hotel Mayflower rendezvous. Garey published Colonel Guest's memorandum on July 11, 1943, at which time it was publicly repudiated by the Acting Secretary of War. It is thus through Redman that Cox and Garey were able to claim Army support as well as Navy.

Attempt to Draw in Others

Just as Redman had approached Guest on behalf of Garey, so his friend and immediate assistant in these matters, Commander Willenbucher, similarly approached Captain E. M. Webster, Director of Coast Guard Communications and formerly F.C.C. Assistant Chief Engineer. Webster was called to Naval Communications by Willenbucher, and an effort was made by Willenbucher and his Naval Reserve subordinates to secure Webster's support and corroboration of the various charges made by Redman and Hooper to Garey. Captain Webster could not and would not participate. He must be protected at all costs in giving this information to his Commander-in-Chief.

At this distance, it is impossible to determine how many others have been similarly solicited on behalf of Cox and Garey by Redman's immediate staff.

Labor-Baiting and Pro-Monopoly Activities in the Office of Naval Communications

Admiral Hooper in his memorandum of May 14 and in his private testimony, Redman in his Mayflower testimony, and Willenbucher in his testimony, and Garey in his public charges, move along in close parallel, all following a labor-baiting and pro-monopoly line of attack. It will be recalled that Philip Murray had occasion to complain more than once as to the ruthless action of the Navy in "beaching" without a hearing numerous radio operators who were members of the CIO. The charges against the Chairman of the Commission in his efforts to show some respect for organized labor which are made by Hooper, Redman, Willenbucher, and Garey, are set forth as follows in the Hooper memorandum:

> "The Defense Communications Board has failed to take any action on the written recommendation of the Secretary of the Navy that certain Committee members were believed to be disloyal to the United States."

"The Chairman of the DCB, by action and by public utterance, has shown that his primary interest is in keeping the support of the CIO communications union which has constantly opposed our interests and not national defense."

"The Chairman of the DCB has consistently opposed any move to assure the loyalty of personnel in communications."

Cox, Garey, Redman, Hooper and Willenbucher are all of one mind on the foregoing charges. Willenbucher (p. 37 of his testimony) even proposes that communications workers be drafted en masse into the Naval Reserve, thus limiting union and labor troubles.

In the field of monopoly, the same group stands together. The Hooper memorandum says "The Chairman of the FCC has devoted too much of the time and energy of that Commission to trust-busting to the detriment of its other duties. This is no time for such, as friendly unity of all interests is necessary in war." (The Commission has not made any trust-busting decision on anything since May 2, 1941 -- except, in cooperation with the Attorney General, in requiring the Radio Corporation of America to strike from its international traffic agreement clauses that prevent competing circuits from being established; and possibly the Commission's action, with the approval of the Director of Economic Stabilization, in reducing long distance telephone rates.)

The action of the Board of War Communications in asking RCA to strike restrictive provisions from its contracts was unanimous, both Army and Navy voting Aye. Yet Redman, Hooper, and Willenbucher all with one voice criticize the FCC for this move. They similarly speak with one voice in criticism of the FCC's handling of the RCA television matter, and of the FCC monopoly network rules--matters wholly beyond the purview of the Navy but well within the scope of the Naval Reservists on Willenbucher's and Redman's immediate staff who acted as counsel in various of these industry matters.

Violations of Military Secrecy

In publishing on July 2, 1943 a proposed Executive Order still unsigned, a letter from the Joint Chiefs of Staff to the Secretary of the Navy, and a letter from the Secretaries of War and the Navy to the President, all classified as "secret", Cox and Garey were in clear violation of the Espionage Act. The secret documents were published verbatim, except for the deletion of the word "SECRET". Cox and Garey did not get the documents from the Army. Commander Craven, who was told of these documents by Garey before their

publication, has told me it is his understanding that Garey got them from the Navy. Word around the Hill is to the same effect. Whether or not Admiral Redman gave Garey these documents, he did give him other confidential documents, notably Colonel Guest's highly prejudicial memorandum commenting on the Hooper memorandum. Much of the testimony is on secret or highly confidential matters.

It may be purely coincidental, but at about the time the President procured a copy of Admiral Redman's testimony and it became known that Redman had (a) testified, lunched, and conferred off-the-record with Garey at the Mayflower during the day of June 4, (b) revealed and volunteered both false information and secret information to Garey during this period, including information on matters then pending before the President, (c) caused Colonel Guest to prepare a memorandum attacking the F.C.C., (d) without Army authority, delivered Colonel Guest's memorandum to Garey, (e) caused or permitted his staff to solicit a Coast Guard captain on Garey's behalf, and (f) possibly was an active participant in the publication of secret military documents, Admiral Redman left on urgent business for London.

Exhibit A

COMMENTS ON ADMIRAL HOOPER'S TESTIMONY

The "statement" of Admiral Hooper is really nothing more than colorful expansion of his memorandum of May 14, 1942, already published (exhibit E). This Hooper memorandum has thus provided the take-off for all the flights of fancy taken by, not only Admiral Hooper, but also Admiral Redman, Commander Willenbucher, and Colonel Guest. In exhibit A the substance of this memorandum was treated and in large part the same analysis could be made regarding Admiral Hooper's statement, including its clear misstatements and half truths. It is more important, however, to point out other relevant matters which have caused Admiral Hooper, in his present condition, to treat the F.C.C. and its Chairman as if they were "villains by necessity; fools by heavenly compulsion". A casual perusal of the "statement" reveals:

(a) Hooper sees himself as the father of radio, the godfather of broadcasting, and the creator of the F.C.C.; and Garey, Counsel for the Select Committee, panders to this delusion by agreeing with this feeling Hooper has. Relying on Hooper's testimony before Garey, Cox stated in public hearing: "Admiral Hooper has contributed more to radio than any other man who has lived since Marconi." (pp. 6-26, 28, 50-51, etc.)

(b) Hooper feels that the good old days when a Navy man could pick up the telephone and deal directly with the "companies" are gone. Today Federal regulatory agencies are hampering a direct man like himself. He says he got along well with the companies. (pp. 14, 79)

(c) For years several imaginary rebuffs have been seething inside of Hooper. His "statement" reveals his personal pique.

1. When James Lawrence Fly was made Chairman of the F.C.C., Hooper offered his wide experience but Hooper complains that Fly "never relied on me". (p. 59)

2. Hooper felt that the Commission ought to foster the ideas Hooper had picked up during his naval career. But he says, "I do know that I was disappointed because the improvement that we sought for did not come about". (p. 56)

3. Hooper, who could deal effectively with the companies, was not properly consulted on merger actions. "Very little attention was paid to my views," he states. (p. 59)

4. In all the Hooper tirades regarding the F.C.C's Radio Intelligence Division no one would listen to him. Of Admiral Noyes, Hooper says, "He just couldn't commit himself." (p. 66) Unlike the experienced Naval officer, Admiral Noyes, Garey has not only listened to these outpourings but has widely publicized them.

(d) Somehow Hooper has always been of the opinion the business of the F.C.C. has been carried on in furtive manner and behind his back. On the structure of the Defense Communications Board he said, "I found out later that the thing had been decided before the memo or draft was sent me." (p. 75)

(e) To indicate the strange directions Hooper's thinking has taken, consider the following: "The F.C.C. is not an executive branch of the government. It is a branch created by Congress. RID should be under the executive branch--the Army and Navy". (p. 78)

(f) Hooper has long been haunted by twin ghosts labelled "Communist" and "Labor". He states that the "American Communications Association -- CIO is a dangerous group" (p. 97); that "Fly and Selly were like that" (holding up two crossed fingers) (p. 96); that there was "pressure from the White House" to keep Communists from being thrown out of jobs as radio operators (p. 97).

(g) The feeling that others are combining to frustrate him persists in Hooper. With respect to IRAC he states, "When it came to a vote on a contentious problem, the Commission representatives would go out and get other fellows who were members of the Commission, take them to lunch, bring them in and have them vote on their side . . . ." (p. 100) A clear understanding of IRAC, its structure and plan of operation, indicates what a sad conception Hooper has of it.

To cite further instances of Hooper's imagination at work would be merely cumulative.

In every barb Hooper has thrown, his pique has provided the courage to let fling; his knowledge of the inner workings of the Navy Department allows him to freely contrive; and his juniors, Redman and Willenbucher, give him hands to execute. This is the force of the Hooper statement; Garey's design is to build Hooper into a martyred expert to whom none would listen. An appealing publicity campaign is being built around this theme.

Exhibit B

Comments on Admiral Redman's Mayflower
Hotel Testimony

The testimony of Admiral Redman, given between 10:30 a.m. and 2:30 p.m. on June 4, 1943 in Room 537 of the Mayflower Hotel, and filling 76 pages of typed transcript, is shot through with misstatements, half truths, uncorroborated hearsay and fanciful rumors. Much of it ties back to Admiral Hooper's Memorandum dated May 14, 1942, and is of one design with it. The balance, which again furthers the combined plan, is additional, purely voluntary, information. For example, Redman states:

a) that Chairman Fly "just assumed" the Chairmanship of the Board of War Communications. Actually the President, by Executive Order, explicitly so provided;

b) that it would be better if an Army or Naval officer was Chairman of the Board of War Communications. Hooper's unauthorized memorandum contained the same thrust. The fact is that when the DCB was initially organized, both the Director of Naval Communications and the Chief Signal Officer resolved the difficulties of who was to be Chairman by agreeing that the Chairman of the Federal Communications Commission was to act as Chairman of the DCB. These very men helped write the September 24, 1940 order which created the Board. No member of this Board has ever suggested that the chairmanship be shifted until Redman attacked before the Cox Committee the decision of his Commander-in-Chief and his predecessor.

c) that Chairman Fly is very sympathetic to labor and points out that Joe Selly of C.I.O. is especially favored. Hooper had similarly said: "The (Chairman's) . . . . primary interest is in keeping the support of the C.I.O.". The fact is that Chairman Fly makes every effort to be fair to labor, but still on the domestic telegraph merger a healthy opposition exists between the Commission and the C.I.O.

d) that Chairman Fly dominates IRAC as well as other fields of communications. This is clearly false. Commander Craven is the only FCC member on IRAC. In all, IRAC is composed of 12 members. Chairman Fly takes no active part in the work of IRAC. Redman's testimony is very vague on the establishment of IRAC and on this score injected his thoughts and opinions. (The Colonel Guest memo ties in with

Hooper's in this vein also.) A comparison of the Hooper memo and the Redman testimony would seem to indicate that Redman is being purely voluntary in his testimony at this point. Colonel Guest's memo on the other hand indicates that in the Hooper testimony IRAC was thoroughly discussed. Redman, either through ignorance or malice, discredited the Commission by the following techniques:

1. He emphasized that the FCC is not a user of radio, and hence not entitled to membership on IRAC. Actually the FCC is a user of radio, and still has membership on IRAC.

2. Redman neglected to point out that the Post Office Department, the State Department, the Department of Agriculture, the Department of Commerce, the Department of the Interior, the Department of Justice, the Department of Labor, the Maritime Commission, and the Coast Guard as well as the War and Navy Departments, are all members of IRAC.

3. He displayed an appalling ignorance of the structure and functions of IRAC. For example, he seemed to be unaware that IRAC stems from the statutory authority of the President, who has equal power with the FCC in the assignment of frequencies. IRAC is, in a sense, the President's engineering department.

e) that the BWC maintained no staff for the purpose of making plans to determine the most efficacious use of communications facilities. The implication inherent in this statement ties back with the Hooper memorandum which claims that the Chairman of this Board "has failed to take energetic action to speed up or reorganize the cumbersome and slow procedure in the organization of the DCB. This causes serious and unwarranted delay in the war effort." The fact is that the BWC does get things done. It has the most expert staff possible. Leaders in government and industry are on its committees. Their time is the time of the Board. The ignorance displayed by Redman is evidenced by the following: He stated

1. That no studies covering all phases of communications has been made by the Board. Actually there are hundreds of voluminous

reports in BWC files covering every important wartime phase of communications.

2. That the Board of War Communications has not made much of a study of domestic broadcasting. Actually the volume on domestic broadcast facilities looks like an Oxford dictionary. The Commission's records are complete and replete.

3. That the Navy theoretically enjoys double representation on the BWC by Captain Webster. Actually Captain Webster is Mr. Gaston's alternate and as such he acts for the Treasury.

All this is an example of Redman's volunteering testimony on his own. Hooper was not a member of the BWC. The direction that Redman takes in his testimony parallels the direction Hooper is shown by the Guest resume to have taken in his testimony (of which we have never seen a copy).

f) that the Radio Intelligence Division of the FCC has most definitely not rendered any assistance to the Armed Forces. He supports this statement by the following:

1. The intelligence gathered by RID is of no value. Actually our files are bursting with requests for this material and expressions of gratitude and commendation, including a few from Admiral Redman himself.

2. We are amateurs in radio direction finding and accomplish nothing. Actually our files contain many requests of the Army and Navy for "fixes" and in addition to pioneering in the radio direction finding field and developing its equipment, we have instructed many officers of the Armed Forces in this art.

3. Our security standards are a detriment to the military. Actually, the Joint Chiefs of Staff have given us not only a clean bill of health in this regard, but have rated our security as "excellent" on all counts.

4. He further invited the Committee to subpoena commandants so that further criticism of the Commission would result.

5. In an off-hand manner, but with a damaging intent, Redman volunteers that he imagines the Army shares these views, and later claims that all he said regarding RID would also be corroborated by the Army, but that he has not been so informed on authority.

g) that he thinks an international merger is a way in which the United States can best handle international communications.

There is no specific tie back in the testimony at this point to the Hooper testimony which indicates that Redman is on his own and is again volunteering. The Hooper-Redman tie-up is obvious at this point, however, since Hooper is and always has been a violent objector to the idea of an international merger. Likewise Redman objects to a merger at the present time in spite of his weak protestation that Chairman Fly is obstructing this venture. The implication running through this bit of Redman's testimony is that Chairman Fly is hampering the Army and the Navy by not pressing for an international merger. Actually the Navy, including the Secretary of the Navy himself, is the obstructing force.

h) that he thinks the power of the FCC to revoke licenses should be taken away. Here Admiral Redman is volunteering opinion in the realm of purely civilian administrative law.

i) that the FCC does not enjoy the confidence of the radio industry. Furthermore, that he thinks every action is capricious and arbitrary. Here Admiral Redman again, as in paragraph h, is volunteering an opinion on matters wholly outside his or the Navy's province. It is perhaps a natural outgrowth of his close connection with Admiral Hooper in joining forces in their present plan. It is quite natural for Redman to soak up some of Hooper's background.

j) that he does not think Chairman Fly has contributed any to the war effort. The activity of the Chairman is rather one of positive detriment in that

1. Testimony before Congress is bad for Navy and is helping the enemy,

2. The Chairman of the FCC takes it upon himself to speak of the national defense. Hooper's memo and Redman's testimony are both one in this respect. Actually there is no ground to

support these statements. The security of the Commission as well as its personnel would not have received the "excellent" rating of the Joint Chiefs of Staff if the Chairman indulged in any "leaks."

k) that the FBI does monitoring in South America at the request of the President. This again is purely volunteer information. Actually the testimony might not have had inherent in it the implication that RID is superfluous. However true Redman's statement is, it can be said that he did fail to mention the fine work RID has done to train Latin Americans in RID work, and also what RID is doing for the State Department at this very time in South America. Here again Redman is on his own and there is no specific tie-back to Hooper except in general design.

l) that the Army communicated the War Department's position with reference to the Army Alaska broadcasting stations through the Secretary of War (presumably to the President). He added, however, that he didn't know that this was actually so. He suggested that Colonel Guest would know. Again this seems to be going far out of his way to give the Committee leads on confidential information on a purely Army matter in the hands of the Chief Executive.

Other detail could be built up to show either inaccuracies because of insufficient knowledge on Admiral Redman's part or intentional misstatements to discredit the Commission. The above examples are sufficient to indicate the extent to which his testimony is shot through with false and damaging statements. In the light of what is contained in the transcript one can only surmise how much farther Admiral Redman may have gone in the "off-the-record" talks. Coming as they do at significant points in the testimony, one can only conjecture the worst.

m) that he (Redman) found no use for the services of the Foreign Broadcast Intelligence Service of the FCC. He, therefore, discontinued the service. Unfortunately this is one bit of information Redman divulged that is true. The harmful result, however, is the strong suggestion that the rest of the Army and Navy do not use FBIS material. This, of course, is 100 percent false. Actually offices in the Navy Department and offices in the War Department subscribe for this material. In a recent survey each of these offices made a written request to continue the service, most of them characterizing it as "indispensable."

Commander Willenbucher's testimony was taken on June 5, 1943, the day following Admiral Redman's, and is of a piece with it. Thus Commander Willenbucher

a) revealed, and in some respects falsified, the detailed deliberations of the BWC which by unanimous action of the Board must remain secret (pp. 7-11);

b) echoed Hooper and Redman concerning the desirability of establishing a National Communications Board (pp. 17-18);

c) plumped for the Executive Order now before the President to transfer the FCC's Radio Intelligence Division;

d) adversely commented on matters as wholly outside his and the Navy's province as the FCC Hemisphere Communications Unit (which has been active in developing facts concerning a proposed Mexican telegraph merger) and the FCC War Problems Division (which was active in improving telegraph service) (pp. 33-34);

e) engaged in labor-baiting, and suggested that the Navy be given absolute power over communications employees by blanketing them into the Naval Reserve (p. 37); etc.

Exhibit C

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sc (Letter from Eugene L. Garey, General Counsel to the Select Committee of the House of Representatives to Investigate the Federal Communications Commission, addressed to the Secretary of the Navy.)

June
Twenty-fifth
1 9 4 3

The Honorable,
The Secretary of the Navy,
Washington, D. C.

Sir:

The Committee has now completed certain phases of its preliminary investigation into the activities of the Federal Communications Commission and intends to hold formal public hearings and take testimony on such matters within a short day.

In its public consideration of these matters the Committee will require at such hearings (1) the presence of certain officers of the military and naval forces of the United States as witnesses and (2) the production of certain documents and papers from the files of your Department.

The naval personnel whose attendance at such hearings as witnesses will be required by the Committee are:

The Secretary of the Navy.

Captain Andrew H. Addons, U.S.N., Communications Officer, Eastern Sea Frontier.

Captain Jerome L. Allen, U.S.N., former Communications Officer, Eastern Sea Frontier.

Lieutenant Commander Cecil H. Coggins, U.S.N.

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Lieutenant (j.g.) Edward Cooper, U.S.N.

Captain John Lawrason Driscoll, U.S.M.C., Air Station at Cherry Point, N.C.

Captain Chas. F. Fielding, U.S.N.

Captain Carl F. Holden, U. S. N., former Director of Naval Communications.

Rear Admiral R. E. Ingersoll, U.S.N.

Lieutenant Venner T. Larson, U.S.N.R., Office of Naval Intelligence.

Rear Admiral Leigh Noyes, U.S.N.

Lieutenant Commander Duke M. Patrick, U.S.N.R.

Rear Admiral Joseph R. Redman, U.S.N., Director of Naval Communications.

Lieutenant Commander Paul Segal, U.S.N.R.

Rear Admiral Harold C. Train, U.S.N., Director of Naval Intelligence.

Rear Admiral Theodore S. Wilkinson, U.S.N.

Commander F. O. Willenbucher, U.S.N. (Retired), Chief of the Legal Section, in the Office of the Director of Naval Communications.

Captain Ellis M. Zacharias, U.S.N., Assistant Director, Office of Naval Intelligence.

The Committee will require the attendance of Rear Admiral Adolphus R. Staton, U.S.N. (Retired) and Rear Admiral Stanford C. Hooper, U.S.N. (Retired), former Director of Naval Communications, but since these Admirals are not now on active duty the Committee presumably will be compelled to require their presence by subpoena, and I will arrange accordingly.

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Mr. Fly's successful efforts in delaying television, thereby depriving the national defense of the benefits of such development in wartime.

Mr. Fly's delay of frequency modulation (F.M.) by the expenditure of the Commission's time in establishing Commission policy with respect of matters more properly within the competency of the Congress rather than within the lawful jurisdiction of the Commission; and his activities in keeping the radio industry terrorized and in a state of fear, particularly during a period when unity is required and every energy devoted to the winning of the war.

From information in the possession of the Committee, these naval officers can be made available for the purposes stated, and I assume that you will direct the attendance of such officers before the Committee for the purpose of giving testimony, within substantially the limits above stated, on the day(s) which I will in due course advise you the Committee has fixed for such purpose, without the necessity of requiring the Committee to issue its process either to compel the attendance of such officers or the production of the documents desired from your Department.

It will be extremely helpful to the Committee if you would forward to it at once the documents and files herein enumerated for consideration by the Committee and its staff in advance of the public hearings.

Will you be good enough to advise me promptly in your official capacity and over your own signature of your willingness to cooperate with the Committee in the manner and to the extent requested herein so that the Committee may be advised accordingly.

With assurance of high respect and esteem, I am, Sir

Faithfully yours,

Eugene L. Garey
General Counsel

The documents, reports, memoranda and the like which your Department will be required to produce at such hearings are:

1. Report of Admiral Hooper recommending that all persons doing monitoring work in wartime should be under complete supervision of the armed forces and should not be under civilian control.

2. Memorandum to the Secretary of the Navy, dated May 14, 1942, regarding the undesirability of chairmanship of Defense Communications Board being vested ex officio in Chairman of Federal Communications Commission, especially during wartime.

3. Memoranda made by Admiral Hooper (from the Department's "Policy Files") concerning disputes with Federal Communications Commission with respect to the assignment of frequencies to the Navy and other governmental departments and agencies.

4. All Department files concerning the establishment on the Fleet of a new type of radio, and the Navy's consequent necessity of promptly ascertaining the frequencies that would be allocated to it to enable the purchase by it of the essential equipment necessary to carry out such purpose, the delay in allocating such frequencies and subsequent change in the frequencies allocated, due to Federal Communications Commission's activities and inactivities, in consequence of which it was necessary for the Navy to purchase new equipment to replace the new equipment already purchased for such purpose and rendered useless as a result.

5. All Department files and correspondence pertaining to the Navy's efforts to obtain approval of the use of ultra-high frequencies, and the difficulty encountered by the Navy in getting the Federal Communications Commission to make a study of the subject.

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6. All files and correspondence pertaining to the Navy's position favoring the passage of a bill to permit wire-tapping, and Chairman Fly's opposition to such bill.

7. All files and correspondence pertaining to the Navy's efforts to stop Japanese language radio broadcasts from Hawaii prior to Pearl Harbor and the reports of the naval commanders of their activities in negotiating voluntary agreements to that end; and Chairman Fly's opposition to such action and his subsequent actions which are alleged to have caused such voluntary agreements to be abandoned.

8. All files, memoranda, correspondence and the like concerning the mergers (both international and domestic) of telegraph, telephone, and cable companies; the position of the Navy in respect thereof and Chairman Fly's unwillingness to hear or consider the military services' position in respect thereto.

9. The letter dated June 12, 1940, from Chairman Fly of the Federal Communications Commission, addressed to the Chief Signal Officer, U.S.A., and to the Director of Naval Communications, stating, in substance, that the Federal Communications Commission had determined that its Chairman should be the Commission's representative on and Chairman of the Defense Communications Board.

10. All Department files, letters, papers and documents pertaining to the proposed transfer to the military establishment of the Government of the activities of the Federal Communications Commission's Radio Intelligence Division, particularly a copy of the letter dated February 1, 1943, to the Secretary of the Navy, from William D. Leahy, Admiral, U.S.N., Chief of Staff to the Commander-in-Chief of the Army and Navy, a copy of the proposed Executive Order therein referred to, a copy of the joint letter dated February 8, 1943, addressed to the President by the Secretary

of War and the Secretary of the Navy and all subsequent memoranda and letters on the same subject matter, including the studies and reports made prior to the letter dated February 1, 1943, and referred to in such letter.

11. All other files, letters, papers, and documents of the Navy Department, in the form of letters from naval commanders, giving their estimate that work being done by the Federal Communications Commission's Radio Intelligence Division was of no value to the Navy and constituted a danger to the national defense, not submitted in response to Item 10 above.

12. Copies of all correspondence between the Navy and the Federal Communications Commission with respect to the opposition of the Navy to the proposal of the Federal Communications Commission to establish stations overseas.

13. Copies of all requests, if any, by the Department to Federal Communications Commission to locate clandestine radio stations, either domestic or foreign.

14. Copies of all reports, memoranda or letters to the White House and others respecting the creation of the Defense Communications Board, now known as the Board of War Communications, and pertaining to Executive Order dated September 24, 1940, creating such Board.

15. Copies of any and all reports and correspondence between the Army or the Navy, the interdepartment Radio Advisory Committee, and Chairman Fly with reference to the application of the U. S. Army for frequencies to broadcast in Alaska and elsewhere for the purpose of maintaining morale among the United States armed forces stationed there and the opposition of Chairman Fly to such broadcasting by the Army for such purposes and his insistence that such broadcasting be done by the Office of War Information.

16. All correspondence, files and memoranda relating to the difficulties of the Army and Navy in having their views properly presented by the Federal Communications Commission representatives to the International Conference in Madrid.

17. Copies of reports from the Federal Communications Commission to the Navy as to the alleged direction finding and location by it of certain enemy ships, particularly those which developed upon investigation by the Navy to be enemy stations located in Japan.

18. Any and all correspondence between the Navy and the Federal Communications Commission with reference to Chairman Fly's proposal to establish East and West Coast Central Intelligence services and requesting the Navy to contribute to the cost thereof and the basis or reasons for the Navy's refusal to do so.

19. All memoranda and correspondence with reference to the passage of the resolution (and a copy thereof) forbidding the release of any information unless authorized by the Board of War Communications, which was adopted by such Board for the purpose of curbing Chairman Fly's unauthorized disclosure of the Board's activities.

20. Copies of all correspondence between the Navy and the Federal Communications Commission stopping the transmission to the Navy of the material compiled by Foreign Broadcast Intelligence Service because it was of no value.

21. Copies of reports received by the Navy with reference to certain information improperly evaluated, edited and distributed by the Federal Communications Commission pertaining to the war in Alaskan waters.

22. The report to Admiral Noyes with respect to the fitness of the persons proposed to be appointed to the various Committees of the Board of War Communications and the letter

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requests of the Secretary of the Navy to the Chairman of the Federal Communications Commission for such an investigation of such persons before they were so appointed, including all reports of the Office of Naval Intelligence regarding the importance of and delay of the Federal Communications Commission to investigate and fingerprint the radio operators on board ships in the merchant marine.

23. Proposed constitution of the Interdepartment Radio Advisory Committee proposed by the representatives of the Navy which Chairman Fly opposed and which therefore never became effective.

24. Memoranda and reports of Admiral Hooper with reference to the failure of Chairman Fly to cooperate with the Interdepartment Radio Advisory Committee and the tactics employed by him to defeat its recommendations.

25. Reports of Stanford C. Hooper, as a member of the Naval Districts Readiness Inspection Board, relating to the danger arising out of the activities of the Federal Communications Commission in its clandestine station location work outside of the United States beyond the purview of its authority and an encroachment in fields in which the Army and Navy were better qualified to function.

For your information and guidance, the testimony of the officers above named, to be presented to the Committee at such public hearings, will not call for the disclosure of any secret military information. Inquiries to the officers of the armed forces will be directed to the establishment of the subjects hereinbelow broadly noted. The existence of these facts has been heretofore substantially established through investigation by this Committee.

A brief outline of the subjects of inquiries to be made of such officers is as follows:

The personal history, training and experience of such officers, particularly in the communications field and

sc8 generally in respect of the personnel, activities, actions and non-actions of the Federal Communications Commission and its related or affiliated agencies.

The participation of such officers in the preparation of the reports, memoranda and papers enumerated hereinabove and generally with respect to their knowledge of the subject matter, facts, opinions and circumstances which are referred to therein.

The composition, functions and duties of the Interdepartment Radio Advisory Committee.

The refusal of Mr. Fly to transmit to the President without comment, for his approval, the constitution of the Interdepartment Radio Advisory Committee as drafted and proposed by the Army and Navy for the express purpose of eliminating Mr. Fly's control of such Committee; the resulting failure to have such constitution adopted and the consequences flowing therefrom.

The conclusion of the Army-Navy Joint Board, reached after a long study by that Board and approved by the Secretaries of War and Navy, that a board or committee should be formed solely to assist the military services in planning the control of non-military communications for war uses in such a manner as to bring them into coordination with the military communications; and that such a board should have no authority whatsoever over military communications.

That the Defense Communications Board, now known as the Board of War Communications, was created by Executive Order pursuant to the approved conclusion reached as stated aforesaid.

The letter dated June 12, 1940, from Mr. Fly to the Chief Signal Officer and Director of Naval Communications, stating that the Commission had determined that its Chairman should be the representative of the Commission on the Defense Communications Board, and had also decided that its Chairman should act as Chairman of such Board.

The memorandum to the Secretary of the Navy dated May 14, 1942, "regarding the undesirability of chairmanship

of Defense Communications Board (now known as Board of War Communications) being vested ex-officio in Chairman of Federal Communications Commission, especially during wartime" and the facts, circumstances and reasons underlying each of such objections which were made.

The insidious steps by which Mr. Fly injected himself into the control of the Board of War Communications which he and his organization dominate, and the methods and manner in which he brought about and has since maintained that domination and control.

Mr. Fly's successful efforts in defeating the recommendations of the Army and Navy representatives to keep off the technical committees of the Defense Communications Board which handled secret and confidential matters, certain proposed members who had no proper place thereon.

Mr. Fly's assumption, through the Board of War Communications, of power over the communications facilities of all Government departments, including the Army and Navy, contrary to the powers of such Board and over the vigorous protests of the Army and Navy and other Government departments.

The difficulties encountered by the military services in making wartime arrangements for military communications facilities through the Board of War Communications, as opposed to direct action by them, due to the domination of such Board by Mr. Fly.

Mr. Fly's refusal to collaborate with interested Government departments in preparing recommendations to the Congress on the subject of international merger of communications.

Mr. Fly's disposition to speak for the Army and Navy due to his Board of War Communications connection; his testimony before Committees of the Congress on national defense matters contrary to the views of the Army and Navy and without authority from them; the resolution adopted by the Board of War Communications for the purpose of preventing Mr. Fly from making public utterances on matters relating to such Board affecting national defense.

Mr. Fly's insistence on reopening the consent decree and refusing to renew RCAC licenses despite the protests of the Army and Navy.

Mr. Fly's refusal to approve the operation of miniature broadcast stations at isolated combat outposts if the stations are to be soldier operated.

Mr. Fly's insistence that the broadcasting stations operated by the Army in Alaska and elsewhere abroad for the purpose of maintaing morale in the armed forces should be operated by the Office of War Information.

The Federal Communications Commission's consistent effort through the years to exercise jurisdiction, domination and control over the useful radio spectrum, not only in respect of the allocation of standard commercial broadcasting frequencies as provided by law, but also over the allocation of frequencies for use by Government departments and agencies, the jurisdiction of which has not been entrusted to the Federal Communications Commission by law; and the manner by which Mr. Fly, through his domination and control of the Interdepartment Radio Advisory Committee, has prevented Government agencies from having their needs and opinions in such matters presented to the President for his consideration.

Mr. Fly's insistence that the question of sending cable ships to certain places was a matter to be decided by the Board of War Communications, which he dominated, notwithstanding the needs of the armed forces and the primary duty resting on the Navy to arrange a convoy to prevent the loss of such cable ships in transit.

Mr. Fly's insistence that no commercial company could permit the War or Navy Department to take over and operate a transmitter without a license from the Federal Communications Commission.

Mr. Fly's insistence that the Board of War Communications should handle Army and Navy requests of commercial companies for frequencies and stations and the consequent resulting and unjustifiable delay which endangered the national defense.

Mr. Fly's refusal for a period of nine months--and for nearly seven months after Pearl Harbor--to turn over to the Federal Bureau of Investigation, at the request of that Bureau and the Navy, the fingerprints of radio operators aboard American merchant marine vessels, for investigation by the Federal Bureau of Investigation; the importance to the national defense that such investigations should have been

promptly made, and the strategic position occupied by any disloyal or enemy operators to endanger the national defense; the incompetent manner in which such fingerprints were taken by the Federal Communications Commission, compelling the return to the Federal Communications Commission of the fingerprints of some 55,000 operators as useless and of no value.

The protests made by the Admirals in charge of convoys respecting the failure of the Federal Communications Commission to have the ship radio operators investigated by the Federal Bureau of Investigation promptly because of the imminent danger to the national interests in the event that such action was not promptly taken.

Mr. Fly's successful activities in defeating the Army-Navy and Hawaiian broadcasting stations' voluntary pre-Pearl Harbor joint efforts to arrange for the elimination of Japanese language broadcasts in Hawaii; and the contribution of such resulting failure to the Pearl Harbor disaster.

Federal Communications Commission's penetration into the military field of radio intelligence and direction finding; the resulting duplication of such services maintained by the Army and Navy; the fact that the names of Federal Communications Commission's two divisions--Radio Intelligence Division and Foreign Broadcast Intelligence Service--are misnomers and misleading, since such divisions do not perform intelligence services, because it is impossible to impart to an agency like the Federal Communications Commission information which it would have to have, and which the Army and Navy do have, in order to do such work effectively; that such services was first known as Foreign Broadcast Monitoring Service (F. B. M. S.); and the fact that it is impossible to coordinate any civilian agency like the Federal Communicatione Commission with the Navy's radio direction finding systems, which are coordinated with military systems.

That the Federal Communications Commission is not equipped to do radio intelligence work because of the elaborate systems that the military services maintain, the location of their stations, and the work done by such services with the stations maintained by our military allies, and because of the nature of the secret military information which can be known only to the few military people charged with the responsibility of doing that kind of work; that such work is a form of military work more distinctly necessary than combat work itself.

4h That military radio intelligence means gaining through the radio spectrum intelligence of the enemy; and that what Federal Communications Commission attempts to do does not constitute radio intelligence but merely constitutes monitoring or more primarily listening to the enemy's transmissions.

That radio intelligence requires a staff of expert people with knowledge of military operations. Such a service must know where its own forces are and, by reconnaissance and other means must also know where the enemy forces are.

That such a service must have specially trained operators, who must know the enemy's code and be familiar with the traffic handled, because in wartime, unlike peacetime, the messages are in secret code. Such a service must be able, when they take a bearing, to identify it and know where it is coming from and must have full knowledge of the cryptographic systems employed, which oftentimes vary from message to message.

In none of the respects above noted, as well as in other respects not specifically herein noted, can Federal Communications Commission meet the necessary requirements referred to.

That the Federal Communications Commission personnel is inadequately trained in radio intelligence work and not familiar with the methods and radio activities of our enemies. That essential information to a proper conduct of this intelligence work is of the highest degree of secrecy, which can be given only to the most trusted and experienced personnel, who must also be subject to military discipline. That without this essential information, no matter how technically able any civilian agency might be, the inevitable result would necessarily be information which could not be properly evaluated. That if such information is disseminated it would result in operations based on such improperly evaluated information.

That such an event would be highly dangerous, and that such an incident based on such improperly evaluated information furnished by the Federal Communications Commission actually transpired in Alaskan waters.

That the Radio Intelligence Division of the Federal Communications Commission definitely overlaps functions and operations of the military services in the fields of radio

direction finding overseas, radio direction finding of domestic clandestine stations, the interception of enemy radio telegraph transmissions, the conduct of a distress service, and such matters as the furnishing of information to aircraft in operation. That the War and Navy Departments believe that the above activities should be conducted by the military services, Army and Navy, in accordance with the delineation of fields of responsibility between them.

The fact that the Radio Intelligence Division (R.I.D.) of the Federal Communications Commission is not qualified, either from the standpoint of equipment or personnel, to do other than local monitoring, because (1) its stations are not properly located, (2) its personnel lacks adequate intelligence information respecting the enemy and is not trained to handle direction finding triangulations and other radio intelligence functions, and (3) the military services cannot entrust secret military information essential to the proper functioning in radio intelligence to a civilian agency, and more particularly to one prone to publicize its activities for its own aggrandizement. The fact that the military personnel is trained and equipped to and does perform adequate radio intelligence functions; and the fact that the alleged national defense efforts of the Federal Communications Commission constitute a duplication of no value whatsoever to the armed forces, but, on the contrary, in fact endanger national security.

That the Federal Communications Commission does not and cannot, as claimed by Mr. Fly, render services of any value to the Navy in locating enemy ships or in reporting attacks upon war shipping.

That Federal Communications Commission, through its Radio Intelligence Division, does not perform the services which Mr. Fly has claimed it renders for the Army and Navy in his testimony before various Committees of the Congress, such as the Appropriations, Costello and other Committees. That the Army and Navy have never requested (and do not want) Federal Communications Commission to perform for them the services claimed by Mr. Fly to be rendered to them by their request. That such information furnished the Navy by the Radio Intelligence Division of the Federal Communications Commission respecting the alleged location of enemy ships has necessitated the expenditure by the Navy of days in

sc9 (14) checking such reports, only to ascertain that the alleged enemy ships were in fact standard radio stations located in Japan.

That neither the Army nor the Navy is engaged in work which calls for the use of the transcripts of foreign broadcasts prepared by the Federal Communications Commission's Foreign Broadcast Intelligence Service, with the possible exception of Naval Intelligence, and that with the exception noted none of such material is used by either.

That the daily, weekly and other analyses prepared by the Federal Communications Commission's Foreign Broadcast Intelligence Service from the foreign broadcasts are of no value to the Army or Navy, since they are engaged in military operations controlled by Chiefs of Staff pursuant to plans made long in advance.

That the Army and Navy prefer to have information in the form of "raw material" so that they can subject the same to their own intelligence tests and make their own analyses of the same rather than to accept the analyses made by the inexperienced and only partly informed staff of the Federal Communications Commission's Foreign Broadcast Intelligence Service.

That neither the Army nor the Navy makes use of the wire or analysis material put out by the Federal Communications Commission's Foreign Broadcast Intelligence Service, because they have their own well tried and established means of obtaining such material as they require for the purpose of military operations.

That the material gathered by the Federal Communications Commission's Foreign Broadcast Intelligence Service and wired by it through the Office of War Information is nothing more than a sort of glorified, world-wide news-gathering and dissemination agency which serves the national and international press associations, the daily press, and the broadcasting companies.

That the Foreign Broadcast Intelligence Service is a service in which neither the Army nor the Navy is engaged, in which neither service has any desire to engage, and in which neither service would engage, even though no such service were maintained by the Federal Communications Commission.

That the disclosures made by Mr. Fly to the Appropriations Committee of the Congress in respect of the alleged war activities of the Federal Communications Commission in support of appropriations sought by him to maintain these useless divisions, are detrimental to the national security, because the Army and Navy feel that even the existence of the conduct of such services should not be disclosed, much less a description of the manner in which they function. That false impressions have been given to the Congress in the representations made to get appropriations for such services.

That the influx of the civilian employees of the Foreign Broadcast Intelligence Service of the Federal Communications Commission and the Office of War Information in the North African theatre of war operations has presented difficulties and embarrassment to the armed forces there which have necessitated a request for their immediate withdrawal and transfer.

Mr. Fly's domination of the Federal Communications Commission and his control over its actions and activities.

The letter dated February 1, 1943, to the Secretary of the Navy from William D. Leahy, Admiral, U.S.N., Chief of Staff to the Commander in Chief of the Army and Navy, requesting the Secretaries of War and Navy to join in a recommendation to the President that he transfer to the Army personnel and equipment now used by the Federal Communications Commission in the field of radio intelligence, and transmitting a proposed Executive Order designed to accomplish that objective.

The joint letter dated February 8, 1943, of the Secretaries of War and Navy to the President recommending the transfer aforesaid and transmitting to the President the letter dated February 1, 1943, aforesaid.

The thorough and comprehensive study of the problems made by the Joint Chiefs of Staff on the Federal Communications Commission activities last above described, pursuant to the Directive of the Secretary of the Navy dated September 11, 1942, and a discussion of the facts and circumstances revealed by such study.

Exhibit D

69160-2

(Letter from Eugene L. Garey, General Counsel to the Select Committee of the House of Representatives to Investigate the Federal Communications Commission, addressed to The Secretary of War.)

June
Twenty-fifth
1943

The Honorable,
The Secretary of War,
Washington, D. C.

Sir:

The Committee has now completed certain phases of its preliminary investigation into the activities of the Federal Communications Commission, and intends to hold formal public hearings and take testimony on such matters within a short day.

In its public consideration of these matters the Committee will require at such hearings (1) the presence of certain officers of the military and naval forces of the United States as witnesses and (2) the production of certain documents and papers from the files of your Department.

The military personnel whose attendance at such hearings as witnesses will be required by the Committee are:

The Secretary of War.

Col. Howard F. Bresee, U.S.A.

Lt. Col. Armand Durant, U.S.A., Military Intelligence Service.

Col. Wesley T. Guest, U.S.A., Director of Planning, Signal Corps.

Major General Dawson Olmstead, U.S.A., Chief Signal Officer.

Col. Conrad E. Snow, U.S.A., Chief, Legal Branch, Office of the Chief Signal Officer.

Major General Frank Stoner, U.S.A., Army, Communications Service.

Major General George V. Strong, U.S.A., Assistant Chief of Staff (Military Intelligence).

Captain E. M. Webster, U.S.A.

The Committee will require the attendance of Major General Joseph O. Mauborgne, U.S.A. (Retired), but since he is not now on active duty the Committee presumably will be compelled to require his presence by subpoena, and I will arrange accordingly.

The documents, reports, memoranda and the like which your Department will be required to produce at such hearings are:

1. All Department files and correspondence pertaining to the Army's efforts to obtain approval of the use of ultra-high frequencies, and the difficulty encountered by the Army in getting the Federal Communications Commission to make a study of the subject.

2. All files and correspondence pertaining to the Army's position favoring the passage of a bill to permit wire-tapping, and Chairman Fly's opposition to such bill.

3. All files and correspondence pertaining to the Army's efforts to stop Japanese language radio broadcasts from Hawaii prior to Pearl Harbor and the reports of the Army officers of their activities in negotiating voluntary agreements to that end; and Chairman Fly's opposition to such action and his subsequent actions which are alleged to have caused such voluntary agreements to be abandoned.

4. All files, memoranda, correspondence and the like concerning the mergers (both international and

domestic) of telegraph, telephone, and cable companies; the position of the Army in respect thereof and Chairman Fly's unwillingness to hear or consider the military services' position in respect thereto.

5. The letter dated June 12, 1940, from Chairman Fly of the Federal Communications Commission, addressed to the Chief Signal Officer, U.S.A., and to the Director of Naval Communications, stating, in substance, that the Federal Communications Commission had determined that its Chairman should be the Commission's representative on and Chairman of the Defense Communications Board.

6. All files, documents, memoranda and correspondence relating to or bearing on various questions arising between the War Department and Federal Communications Commission, or any of its staff or divisions, or between the Army and the Board of War Communications or its predecessor, the Defense Communications Board, not called for in Item 5 above.

7. All Department files, letters, papers and documents pertaining to the proposed transfer to the military establishments of the Government of the activities of the Federal Communications Commission's Radio Intelligence Division, particularly a copy of the letter dated February 1, 1943, to the Secretary of the Navy, from William D. Leahy, Admiral, U.S.N., Chief of Staff to the Commander in Chief of the Army and Navy, a copy of the proposed Executive Order therein referred to, a copy of the joint letter dated February 8, 1943, addressed to the President by the Secretary of War and the Secretary of the Navy, and all subsequent memoranda and letters on the same subject matter, including the studies and reports made prior to the letter dated February 1, 1943, and referred to in such letter.

8. Copies of all requests, if any, by the Department to Federal Communications Commission requesting Federal Communications Commission to monitor, intercept, listen to or record, either specifically or generally, domestic foreign language or foreign broadcasts.

9. Copies of all requests, if any, by the Department to Federal Communications Commission to locate clandestine radio stations, either domestic or foreign.

10. Copies of all memoranda, reports or letters to the White House and others respecting the creation of the Defense Communications Board, now known as the Board of War Communications, and pertaining to Executive Order dated September 24, 1940, creating such Board.

11. Copies of any and all reports and correspondence between the Army or the Navy, the Interdepartment Radio Advisory Committee, and Chairman Fly with reference to the application of the U.S. Army for frequencies to broadcast in Alaska and elsewhere for the purpose of maintaining morale among the United States armed forces stationed there, and the opposition of Chairman Fly to such broadcasting by the Army for such purposes, and his insistence that such broadcasting be done by the Office of War Information.

12. All correspondence, files and memoranda relating to the difficulties of the Army and Navy in having their views properly presented by Federal Communications Commission representatives to the International Conference in Madrid.

13. Copies of reports from the Federal Communications Commission to the Army as to the alleged direction finding and location by it of certain enemy ships, particularly those which developed upon investigation by the Navy to be enemy stations located in Japan.

14. Any and all correspondence between the Army and the Federal Communications Commission with reference to Chairman Fly's proposal to establish East and West Coast Central Intelligence services and requesting the Army to contribute to the cost thereof.

15. All memoranda and correspondence with reference to the passage of the resolution (and a copy thereof)

forbidding the release of any information unless authorized by the Board of War Communications, which was adopted by such Board for the purpose of curbing Chairman Fly's unauthorized disclosure of the Board's activities.

16. Copies of all correspondence between the Army and the Federal Communications Commission respecting the material compiled by Foreign Broadcast Intelligence Service.

17. Copies of reports received by the Army with reference to certain information improperly evaluated, edited and distributed by the Federal Communications Commission pertaining to the war in Alaskan waters.

18. Proposed constitution of the Interdepartment Radio Advisory Committee proposed by the representatives of the Army, which Chairman Fly opposed and which therefore never became effective.

19. All memoranda, reports and correspondence relating to charges filed (and as changed from time to time during the hearing) before the Board of War Communications, against Neville Miller, President of the National Association of Broadcasters, the Army and Navy's opposition thereto, the transcript of testimony taken at the hearing on such charges, and the findings exonerating Mr. Miller.

20. All reports, memoranda and correspondence in the Department relating to, or dealing or connected with, any of the subjects hereinafter outlined.

For your information and guidance, the testimony of the officers above named, to be presented to the Committee at such public hearings, will not call for the disclosure of any secret military information. Inquiries to the officers of the armed forces will be directed to the establishment of the subjects hereinbelow broadly noted. The existence of these facts has been heretofore substantially established through investigation by this Committee.

A brief outline of the subjects of inquiries to be made of such officers is as follows:

The personal history, training and experience of such officers, particularly in the communications field and generally in respect of the personnel, activities, actions and non-actions of the Federal Communications Commission and its related or affiliated agencies.

The participation of such officers in the preparation of the reports, memoranda and papers enumerated hereinabove and generally with respect to their knowledge of the subject matter, facts, opinions and circumstances which are referred to therein.

The composition, functions and duties of the Interdepartment Radio Advisory Committee.

The refusal of Mr. Fly to transmit to the President without comment, for his approval, the constitution of the Interdepartment Radio Advisory Committee as drafted and proposed by the Army and Navy for the express purpose of eliminating Mr. Fly's control of such Committee; the resulting failure to have such constitution adopted and the consequences flowing therefrom.

The conclusion of the Army-Navy Joint Board, reached after a long study by that Board and approved by the Secretaries of War and Navy, that a board or committee should be formed solely to assist the military services in planning the control of non-military communications for war uses in such a manner as to bring them into coordination with the military communications; and that such a board should have no authority whatsoever over military communications.

That the Defense Communications Board, now known as the Board of War Communications, was created by Executive Order pursuant to the approved conclusion reached as stated aforesaid.

The letter dated June 12, 1940, from Mr. Fly to the Chief Signal Officer and Director of Naval Communications, stating that the Commission had determined that its Chairman should be the representative of the Commission on the Defense Communications Board, and had also decided that its Chairman should act as Chairman of such Board,

The insidious steps by which Mr. Fly injected himself into the control of the Board of War Communications which he and his organization dominate, and the methods and manner in which he brought about and has since maintained that domination and control.

Mr. Fly's successful efforts in defeating the recommendations of the Army and Navy representatives to keep off the technical committees of the Defense Communications Board which handled secret and confidential matters, certain proposed members who had no proper place thereon.

Mr. Fly's assumption, through the Board of War Communications, of power over the communications facilities of all Government departments, including the Army and Navy, contrary to the powers of such Board and over the vigorous protests of the Army and Navy and other Government departments.

The difficulties encountered by the military services in making wartime arrangements for military communications facilities through the Board of War Communications, as opposed to direct action by them, due to the domination of such Board by Mr. Fly.

Mr. Fly's refusal to collaborate with interested Government departments in preparing recommendations to the Congress on the subject of international merger of communications.

Mr. Fly's disposition to speak for the Army and Navy due to his Board of War Communications connection; his testimony before Committees of the Congress on national defense matters contrary to the views of the Army and Navy and without authority from them; the resolution adopted by the Board of War Communications for the purpose of preventing Mr. Fly from making public utterances on matters relating to such Board affecting national defense.

Mr. Fly's insistence on reopening the consent decree and refusing to renew RCAC licenses despite the protests of the Army and Navy.

Mr. Fly's refusal to approve the operation of miniature broadcast stations at isolated combat outposts if the stations are to be soldier operated.

Mr. Fly's insistence that the broadcasting stations operated by the Army in Alaska and elsewhere abroad for the purpose of maintaining morale in the armed forces should be operated by the Office of War Information.

The Federal Communications Commission's consistent effort through the years to exercise jurisdiction, domination and control over the useful radio spectrum, not only in respect of the allocation of standard commercial broadcasting frequencies as provided by law, but also over the allocation of frequencies for use by Government departments and agencies, the jurisdiction of which has not been entrusted to the Federal Communications Commission by law; and the manner by which Mr. Fly, through his domination and control of the Interdepartment Radio Advisory Committee, has prevented Government agencies from having their needs and opinions in such matters presented to the President for his consideration.

Mr. Fly's insistence that the question of sending cable ships to certain places was a matter to be decided by the Board of War Communications, which he dominated, notwithstanding the needs of the armed forces and the primary duty resting on the Navy to arrange a convoy to prevent the loss of such cable ships in transit.

Mr. Fly's insistence that no commercial company could permit the War or Navy Department to take over and operate a transmitter without a license from the Federal Communications Commission.

Mr. Fly's insistence that the Board of War Communications should handle Army and Navy requests of commercial companies for frequencies and stations and the consequent resulting and unjustifiable delay which endangered the national defense.

Mr. Fly's refusal for a period of nine months—and for nearly seven months after Pearl Harbor—to turn over to the Federal Bureau of Investigation, at the request of that Bureau and the Navy, the fingerprints of radio operators aboard American merchant marine vessels, for investigation by the Federal Bureau of Investigation; the importance to the national defense that such investigations should have been promptly made, and the strategic position occupied by any disloyal or enemy operators to endanger the national defense;

the incompetent manner in which such fingerprints were taken by the Federal Communications Commission, compelling the return to the Federal Communications Commission of the fingerprints of some 55,000 operators as useless and of no value.

The protests made by the Admirals in charge of convoys respecting the failure of the Federal Communications Commission to have the ship radio operators investigated by the Federal Bureau of Investigation promptly because of the imminent danger to the national interests in the event that such action was not promptly taken.

Mr. Fly's successful activities in defeating the Army-Navy and Hawaiian broadcasting stations' voluntary pre-Pearl Harbor joint efforts to arrange for the elimination of Japanese language broadcasts in Hawaii; and the contribution of such resulting failure to the Pearl Harbor disaster.

Federal Communications Commission's penetration into the military field of radio intelligence and direction finding; the resulting duplication of such services maintained by the Army and Navy; the fact that the names of Federal Communications Commission's two divisions—Radio Intelligence Division and Foreign Broadcast Intelligence Service—are misnomers and misleading, since such divisions do not perform intelligence services, because it is impossible to impart to an agency like the Federal Communications Commission information which it would have to have, and which the Army and Navy do have, in order to do such work effectively; that such service was first known as Foreign Broadcast Monitoring Service (F.B.M.S.); and the fact that is impossible to coordinate any civilian agency like the Federal Communications Commission with the Navy's radio direction finding systems, which are coordinated with military systems.

That the Federal Communications Commission is not equipped to do radio intelligence work because of the elaborate systems that the military services maintain, the location of their stations, and the work done by such services with the stations maintained by our military allies, and because of the nature of the secret military information which can be known only to the few military people charged with the responsibility of doing that kind of work; that such work is a form of military work more distinctly necessary than combat work itself.

That military radio intelligence means gaining through the radio spectrum intelligence of the enemy; and that what Federal Communications Commission attempts to do does not constitute radio intelligence but merely constitutes monitoring or more primarily listening to the enemy's transmissions.

That radio intelligence requires a staff of expert people with knowledge of military operations. Such a service must know where its own forces are and, by reconnaissance and other means must also know where the enemy forces are.

That such a service must have specially trained operators, who must know the enemy's code and be familiar with the traffic handled, because in wartime, unlike peacetime, the messages are in secret code. Such a service must be able, when they take a bearing, to identify it and know where it is coming from and must have full knowledge of the cryptographic systems employed, which oftentimes vary from message to message.

In none of the respects above noted, as well as in other respects not specifically herein noted, can Federal Communications Commission meet the necessary requirements referred to.

That the Federal Communications Commission personnel is inadequately trained in radio intelligence work and not familiar with the methods and radio activities of our enemies. That essential information to a proper conduct of this intelligence work is of the highest degree of secrecy, which can be given only to the most trusted and experienced personnel, who must also be subject to military discipline. That without this essential information, no matter how technically able any civilian agency might be, the inevitable result would necessarily be information which could not be properly evaluated. That if such information is disseminated it would result in operations based on such improperly evaluated information.

That such an event would be highly dangerous, and that such an incident based on such improperly evaluated information furnished by the Federal Communications Commission actually transpired in Alaskan waters.

That the Radio Intelligence Division of the Federal Communications Commission definitely overlaps functions and operations of the military services in the fields of radio

direction finding overseas, radio direction finding of domestic clandestine stations, the interception of enemy radio telegraph transmissions, the conduct of a distress service, and such matters as the furnishing of information to aircraft in operation. That the War and Navy Departments believe that the above activities should be conducted by the military services, Army and Navy, in accordance with the delineation of fields of responsibility between them.

The fact that the Radio Intelligence Division (R.I.D.) of the Federal Communications Commission is not qualified, either from the standpoint of equipment or personnel, to do other than local monitoring, because (1) its stations are not properly located, (2) its personnel lacks adequate intelligence information respecting the enemy and is not trained to handle direction finding triangulations and other radio intelligence functions, and (3) the military services cannot entrust secret military information essential to the proper functioning in radio intelligence to a civilian agency, and more particularly to one prone to publicize its activities for its own aggrandizement. The fact that the military personnel is trained and equipped to and does perform adequate radio intelligence functions; and the fact that the alleged national defense efforts of the Federal Communications Commission constitute a duplication of no value whatsoever to the armed forces, but, on the contrary, in fact endanger national security.

That the Federal Communications Commission does not and cannot, as claimed by Mr. Fly, render services of any value to the Army in locating enemy ships or in reporting attacks upon war shipping.

That Federal Communications Commission, through its Radio Intelligence Division, does not perform the services which Mr. Fly has claimed it renders for the Army and Navy in his testimony before various Committees of the Congress, such as the Appropriations, Costello and other Committees. That the Army and Navy have never requested (and do not want) Federal Communications Commission to perform for them the services claimed by Mr. Fly to be rendered to them by their request. That such information furnished the Navy by the Radio Intelligence Division of the Federal Communications Commission respecting the alleged location of enemy ships has necessitated the expenditure by the Navy of days in

checking such reports, only to ascertain that the alleged enemy ships were in fact standard radio stations located in Japan.

That neither the Army nor the Navy is engaged in work which calls for the use of the transcripts of foreign broadcasts prepared by the Federal Communications Commission's Foreign Broadcast Intelligence Service, with the possible exception of Naval Intelligence, and that with the exception noted none of such material is used by either.

That the daily, weekly and other analyses prepared by the Federal Communications Commission's Foreign Broadcast Intelligence Service from the foreign broadcasts are of no value to the Army or Navy, since they are engaged in military operations controlled by Chiefs of Staff pursuant to plans made long in advance.

That the Army and Navy prefer to have information in the form of "raw material" so that they can subject the same to their own intelligence tests and make their own analyses of the same rather than to accept the analyses made by the inexperienced and only partly informed staff of the Federal Communications Commission's Foreign Broadcast Intelligence Service.

That neither the Army nor the Navy makes use of the wire or analysis material put out by the Federal Communications Commission's Foreign Broadcast Intelligence Service, because they have their own well tried and established means of obtaining such material as they require for the purpose of military operations.

That the material gathered by the Federal Communications Commission's Foreign Broadcast Intelligence Service and wired by it through the Office of War Information is nothing more than a sort of glorified, world-wide news-gathering and dissemination agency which serves the national and international press associations, the daily press, and the broadcasting companies.

That the Foreign Broadcast Intelligence Service is a service in which neither the Army nor the Navy is engaged, in which neither service has any desire to engage, and in which neither service would engage, even though no such service were maintained by the Federal Communications Commission.

That the disclosures made by Mr. Fly to the Appropriations Committee of the Congress in respect of the alleged war activities of the Federal Communications Commission in support of appropriations sought by him to maintain these useless divisions, are detrimental to the national security, because the Army and Navy feel that even the existence of the conduct of such services should not be disclosed, much less a description of the manner in which they function. That false impressions have been given to the Congress in the representations made to get appropriations for such services.

That the influx of the civilian employees of the Foreign Broadcast Intelligence Service of the Federal Communications Commission and the Office of War Information in the North African theatre of war operations has presented difficulties and embarrassment to the armed forces there which have necessitated a request for their immediate withdrawal and transfer.

Mr. Fly's domination of the Federal Communications Commission and his control over its actions and activities.

The letter dated February 1, 1943, to the Secretary of the Navy from William D. Leahy, Admiral, U.S.N., Chief of Staff to the Commander in Chief of the Army and Navy, requesting the Secretaries of War and Navy to join in a recommendation to the President that he transfer to the Army personnel and equipment now used by the Federal Communications Commission in the field of radio intelligence, and transmitting a proposed Executive Order designed to accomplish that objective.

The joint letter dated February 8, 1943, of the Secretaries of War and Navy to the President, recommending the transfer aforesaid and transmitting to the President the letter dated February 1, 1943, aforesaid.

The thorough and comprehensive study of the problems made by the Joint Chiefs of Staff on the Federal Communications Commission activities last above described, pursuant to the directive of the Secretary of the Navy dated September 11, 1942, and a discussion of the facts and circumstances revealed by such study.

Mr. Fly's successful efforts in delaying television, thereby depriving the national defense of the benefits of such development in wartime.

Mr. Fly's delay of frequency modulation (F.M.) by the expenditure of the Commission's time in establishing Commission policy with respect of matters more properly within the competency of the Congress rather than within the lawful jurisdiction of the Commission; and his activities in keeping the radio industry terrorized and in a state of fear, particularly during a period when unity is required and every energy devoted to the winning of the war.

From information in the possession of the Committee, these Army officers can be made available for the purposes stated, and I assume that you will direct the attendance of such officers before the Committee for the purpose of giving testimony, within substantially the limits above stated, on the day(s) which I will in due course advise you the Committee has fixed for such purpose, without the necessity of requiring the Committee to issue its process either to compel the attendance of such officers or the production of the documents desired from your Department.

It will be extremely helpful to the Committee if you would forward to it at once the documents and files herein enumerated for consideration by the Committee and its staff in advance of the public hearings.

Will you be good enough to advise me promptly in your official capacity and over your own signature of your willingness to cooperate with the Committee in the manner and to the extent requested herein so that the Committee may be advised accordingly.

With assurance of high respect and esteem, I am, Sir

Faithfully yours,

Eugene L. Garey
General Counsel

Exhibit E

May 14, 1942

Memorandum Regarding Undesirability of Chairmanship of Defense Communications Board Being Vested Ex-Officio in Chairman of Federal Communications Commission, Especially During Wartime (submitted to the Secretary of the Navy by Rear Admiral Stanford C. Hooper, U.S.N. (Retired)).

The Navy Department considers as undesirable the present situation of having the Chairmanship of the Defense Communications Board vested ex-officio in the person of the Chairman of the Federal Communications Commission, especially during wartime. This decision is based not only on the general principles involved, but on the fact that the functioning of the Defense Communications Board during the past months has been unsatisfactory to the Department to the extent that it believes the successful prosecution of the war is being jeopardized thereby.

Specifically, the following points bear on the matter:

1. The Defense Communications Board has failed to take any action on the written recommendation of the Secretary of the Navy that certain committee members were believed to be disloyal to the United States.

2. The Federal Communications Commission had refused to turn over its file of fingerprints and confidential information bearing on the loyalty of commercial communications companies to the Federal Bureau of Investigation, without restrictions which would render the work of the latter agency ineffective.

3. The Chairman of the Federal Communications Commission has frequently taken it upon himself to speak for national defense, thereby exposing his ignorance of the subject.

4. The Chairman of the Defense Communications Board, by action and by public utterance, has shown that his primary interest is in keeping the support of the C.I.O. Communications Union, which has constantly opposed our interests, and not national defense.

5. The Chairman of the Federal Communications Commission and the Defense Communications Board has had no previous experience in the field of communications.

6. The Chairman has failed to take energetic action to speed up or reorganize the cumbersome and slow procedure and organization of the Defense Communications Board. This causes serious and unwarranted delay in the war effort.

7. The Chairman of the Federal Communications Commission has devoted too much of the time and energy of that Commission to trust-busting, to the detriment of its other duties. This is no time for such, as friendly unity of all interests is necessary in war.

8. The Chairman of the Defense Communications Board opposed legislation permitting wire-tapping which would have permitted checking of the telephone to Japan before Pearl Harbor, and might have prevented the disaster.

9. The Chairman of the Defense Communications Board opposed stopping Japanese language broadcasts in Hawaii, a factor which led to the disaster.

10. The Chairman of the Defense Communications Board has consistently opposed any move to assure the loyalty of personnel in communications.

11. The Chairman of the Federal Communications Commission has consistently opposed the stand of the Armed Services on the question of mergers.

12. The Chairman of the Federal Communications Commission gives out too much publicity on defense matters. This should come from the War and Navy Departments.

13. The present set-up has too much duplication of effort, for example, preparation and distribution of information, lack of coordination of direction finding work, investigation of communication security.

Due to the realization that many matters must be handled directly by the Armed Services, these have already been transferred to their jurisdiction. The effort to obtain transfer takes valuable time.

Other matters under the Defense Communications Board are being handled by the War and Navy Departments without regard to the Defense Communications Board, because time is the essence. This is becoming confusing.

Exhibit F

Colonel Wesley T. Guest's Resume of Admiral Hooper's Testimony, Procured for and Delivered to the Cox Committee by Admiral Redman. (Undated)

In a great number of examples Admiral Hooper is correct, and testimony under oath by any others connected with these matters can only substantiate his story. Among these latter are:

a. F.C.C. penetration into the field of radio intelligence and direction finding.

b. F.C.C. refusal to collaborate with interested government departments in preparing recommendations to Congress on the subject of international merger.

c. The insidious steps by which Mr. Fly injected himself into the Army-Navy plan for control of communications in wartime, emerging with the Board of War Communications which he and his organization dominate.

d. The difficulty in making wartime arrangements for military communication facilities through the Board of War Communications as opposed to direct action due to F.C.C. domination.

e. Attempts by the F.C.C. to obtain domination and control of the IRAC.

f. Refusal by Mr. Fly to transmit the new IRAC constitution to the President without comment.

g. Mr. Fly's disposition to speak for the Army and Navy due to his BWC connection.

h. Mr. Fly's attempt to assume BWC power over communication facilities of other government departments--which must include those of the Army and Navy.

i. Mr. Fly's insistence on reopening the Consent Decree and refusing to renew RCAC licenses in spite of protests from the Army and Navy.

j. Mr. Fly's insistence on reducing telephone toll rates over the objection of the Army and Navy due to the saturated condition of the telephone system.

k. Mr. Fly's refusal to approve operation of minature broadcast stations at isolated combat outposts if the stations are to be soldier operated.

l. The F.C.C.'s insistence that no commercial company can permit the War or Navy Departments to take over and operate a transmitter without a license from the Commission.

PSF F.C.C. folder 2-43

COMMISSIONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C.

ADDRESS ALL COMMUNICATIONS TO THE SECRETARY

T. J. SLOWIE, SECRETARY

July 26, 1943

Dear Mr. President

It is reported with seeming responsibility that the Cox Committee will file an interim report at the opening session of Congress in which Cox will propose a bill abolishing the Radio Intelligence Division and the Foreign Broadcast Intelligence Service. This is stated as in conformity with the recommendation of the Secretaries of War and Navy and the Joint Chiefs of Staff. We have been accorded no hearing, no witness sympathetic to us has been on the stand, and documents showing the merit of our work have been consistently excluded from the record.

If Cox is going to pitch his battle on this plane, I think it ever so important that we clear the deck for action on the administrative end. I spoke to Wayne Coy about the matter again this morning and we feel that your effective disposition of the RID matter would be the most constructive move possible. On July 19, 1943, I handed you a draft of a proposed letter to the Secretary of War. It would give great confidence and strength to our people all the way along the line if you can see fit to publish that letter.

Faithfully yours

James Lawrence Fly
Chairman

The President

The White House



PSF F.C.C. folder 2-43

THE WHITE HOUSE
WASHINGTON

File Memorandum

August 10, 1943.

MEMORANDUM FOR

THE ATTORNEY GENERAL

Have you got Craven's testimony, either before the Counsel for the Cox Committee or the Committee itself?

"F.D.R."

F. D. R.

COMMISSIONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

ADDRESS ALL COMMUNICATIONS
TO THE SECRETARY

T. J. SLOWIE, SECRETARY

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C.

July 24, 1943

Dear Mr. President

Hugh Cox called me from the Justice Department a minute ago and asked for a copy of Craven's testimony. The Attorney General, undoubtedly, will give you his comments upon it.

I told Hugh Cox that, roughly in accordance with Craven's testimony, I had warned Craven of all pertinent circumstances surrounding the Radio Intelligence Division and the proposed transfer. I stressed the official secrecy of the matter, its pendency before the President, and the action which had been taken in connection with the Navy officers. At the same time, I explicitly refrained from endeavoring to give him any instructions on my own or for that matter acting as a conduit for your instructions. I left him entirely free except as he might be guided by his own discretion in the light of the circumstances which I fully made known to him.

You will be interested to note that Craven purported to appear in response to a subpoena. He had, in fact, spent many hours with Counsel for the Committee prior to that time and had all his materials, including a long typewritten statement, prepared ready to present when called. Under these circumstances he had the Committee serve a subpoena on him in the course of a Commission meeting which called for his appearance one hour later.

Faithfully yours

James Lawrence Fly

The President
The White House



PSF: FCC
Att. FDR to Atty. Gen.
8-10-43

(Harvey to Cox Committee-
On how to grab the headline -
shut off the "opposition" - and run -

July 7, 1943

Memo to all Members of the Committee:

Annexed hereto for your information is a copy of suggestions that were written out by a press representative with reference to principles that should come within our presentation. The man who wrote these suggestions is Bob Humphreys of International News Service. It is the same memorandum that I read to the Committee at its meeting yesterday.

E. L. G.

Enclosure

Honorable E. E. Cox
Honorable Richard B. Wigglesworth
Honorable Warren G. Magnuson
Honorable Edward J. Hart
Honorable Louis E. Miller

(OVER)

DUEL

The Vortex Rules

1. -- Decide what you want the newspapers to hit hardest and then shape each hearing so that the main point becomes the vortex of the testimony. Once that vortex is reached, adjourn.

2. -- In handling press releases, first put a release date on them, reading something like this: "For release at 10:00 A.M. EWT July 6", etc. If you do this, you can give releases out as much as 24 hours in advance, thus enabling reporters to study them and write better stories.

3. -- Limit the number of people authorized to speak for the committee, to give out press releases or to provide the press with information to the fewest number possible. It plugs leaks and helps preserve the concentration of purpose.

4. -- Do not permit distractions to occur, such as extraneous fusses with would-be witnesses, which might provide news that would bury the testimony which you want featured.

5. -- Do not space hearings more than 24 or 48 hours apart when on a controversial subject. This gives the opposition too much opportunity to make all kind of counter-charges and replies by issuing statements to the newspapers.

6. -- Don't ever be afraid to recess a hearing even for five minutes, so that you keep the proceedings completely in control so far as creating news is concerned.

7. -- And this is most important: don't let the hearings or the evidence ever descend to the plane of personal fight between the Committee Chairman and the head of the agency being investigated. The high plane of a duly-authorized Committee of the House of Representatives examining the operations of an Agency of the Executive Branch for constructive purposes should be maintained at all costs.

DULLES

PSF F.C.C. folder 2-43

THE WHITE HOUSE

WASHINGTON

September 1, 1943.

MEMORANDUM FOR THE PRESIDENT:

Chairman Fly called to say that the National Association of Broadcasters has recently hired Robert P. Bartley as their number two man and obviously with great emphasis upon legislative work. Bartley is a nephew of Sam Rayburn.

Chairman Fly also is very anxious to get some answer to his letter to you of July 19th re the FCC and the Army.

djb

PSF F.C.C. folder 2-43

file personal

Office of the Attorney General
Washington, D.C.

September 1, 1943

MEMORANDUM FOR THE PRESIDENT

Recently you sent me a memorandum suggesting that I follow the testimony of Lieutenant Commander A.A.A.M. Craven, USN. before the Cox Special Committee of the House. You suggested that you might wish to have "a hearing to show cause why he should not be removed from the Commission".

Craven's testimony, which I have analyzed, is probably no cause for removal.

1. He did not really disclose any secret or confidential information. The few facts he mentioned had already been disclosed in the press or in previous testimony to the Committee. Most of the real testimony was given by Garey, Counsel for the Committee.

2. It would be hard to support a charge that Craven has been secretly furnishing the Committee with information from the Commission's files. We do not know what Craven said privately to the committee, but Fly says he has no proof that Craven has given the Committee any confidential information out of the Commission's files.

3. So far, Craven's conduct is not as good a basis for removal as existed in the Morgan case. Because the FCC is a quasi-judicial body, it is probably necessary to show worse misconduct than it would be necessary to show in the case of a member of a purely executive body like the TVA. Craven, unlike Morgan, has not made any gratuitous public charges against the honesty of his colleagues. He can always defend himself by saying that he was subpoenaed before a Congressional committee and required to answer; this was a defense Morgan did not have.

4. Craven's term expires in ten months (June 30, 1944).

Craven is going to testify again, and we will continue to watch his testimony.

Respectfully,

Francis Biddle

Francis Biddle
Attorney General

(1719)
hms

PSF
F.C.C.

THE WHITE HOUSE
WASHINGTON

September 7, 1943.

MEMORANDUM FOR

CHAIRMAN FLY OF THE F.C.C.

FOR YOUR INFORMATION.

F.D.R.

Enclosure

Transmitting copies of the President's letters of 9/7/43 to the Secretary of War and the Secretary of the Navy, in response to joint letter of 2/8/43 from the Secretary of War and the Secretary of the Navy, proposing an Executive Order transferring the radio intelligence functions of the FCC to the War and Navy Departments.

(1720)
Ams

THE WHITE HOUSE
WASHINGTON

September 7, 1943.

MEMORANDUM FOR
ADMIRAL LEAHY

FOR THE INFORMATION OF
THE JOINT CHIEFS OF STAFF.

F.D.R.

Enclosure.

Transmitting copy of the President's letter of 9/7/43 to the Secretary of the Navy, in response to joint letter of 2/8/43 from the Secretary of War and the Secretary of the Navy, proposing an Executive Order transferring the radio intelligence functions of the FCC to the War and Navy Departments.

September 7, 1943.

Dear Mr. Secretary:

This is in response to your letter of February 8, 1943, signed by you and Secretary Knox proposing an executive order transferring the radio intelligence functions of the Federal Communications Commission to the War and Navy Departments. Your suggestion has been given careful study by the staff of the Executive Offices. After full consideration I have determined that the transfer should not be made.

The work of the Radio Intelligence Division of the Commission was founded upon the long existing radio monitoring functions carried on by the Commission as a part of its essential peacetime work. The need for the expansion of these functions was brought to my attention prior to our entry into the war and I approved the general set-up. Expansion has been made to meet the war-time needs of the Commission itself and of other agencies of the Government.

The Radio Intelligence Division serves important war-time needs of several of the civilian Government agencies in the radio intelligence field, including the State Department, the Federal Bureau of Investigation, the Office of Censorship, the Bureau of Economic Warfare, the Weather Bureau, the Coordinator of Inter-American Affairs, and others. In addition, I understand that the Commission stands ready to perform for the Army and Navy such services as are expressly requested by them. The Commission and its Chairman have expressed to me their desire to cooperate with the Army and Navy in every possible way.

It is my desire that matters of the kind presented by the present proposal be dealt with at the outset by conferences between the interested agencies. If differences should occur, the matter should be reviewed by the Board of War Communications, which is the responsible interdepartmental body I have charged with the responsibility in the field of war-time communications.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

The Honorable

The Secretary of War.

Copies to:
Secretary of the Navy
Joint Chiefs of Staff
Chairman FCC

September 7, 1943.

Dear Mr. Secretary:

This is in response to your letter of February 8, 1943, signed by you and Secretary Stimson proposing an executive order transferring the radio intelligence functions of the Federal Communications Commission to the War and Navy Departments. Your suggestion has been given careful study by the staff of the Executive Offices. After full consideration I have determined that the transfer should not be made.

The work of the Radio Intelligence Division of the Commission was founded upon the long existing radio monitoring functions carried on by the Commission as a part of its essential peacetime work. The need for the expansion of these functions was brought to my attention prior to our entry into the war and I approved the general set-up. Expansion has been made to meet the war-time needs of the Commission itself and of other agencies of the Government.

The Radio Intelligence Division serves important war-time needs of several of the civilian Government agencies in the radio intelligence field, including the State Department, the Federal Bureau of Investigation, the Office of Censorship, the Bureau of Economic Warfare, the Weather Bureau, the Coordinator of Inter-American Affairs, and others. In addition, I understand that the Commission stands ready to perform for the Army and Navy such services as are expressly requested by them. The Commission and its Chairman have expressed to me their desire to cooperate with the Army and Navy in every possible way.

It is my desire that matters of the kind presented by the present proposal be dealt with at the outset by conferences between the interested agencies. If differences should occur, the matter should be reviewed by the Board of War Communications, which is the responsible interdepartmental body I have charged with the responsibility in the field of war-time communications.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

The Honorable

The Secretary of the Navy.

Copies to:
Secretary of War
Joint Chiefs of Staff
Chairman Fly

GRACE:

The President said to ask Chairman Fly to come over and show him this top letter and ask him if he thinks it is all right to send to the Secy. of the Navy, Secy. of the War and a copy to himself.

djb

Dear Mr. Secretary:

This is in response to your letter of February 8, 1943, signed by you and Secretary Knox proposing an executive order transferring the radio intelligence functions of the Federal Communications Commission to the War and Navy Departments. Your suggestion has been given careful study by the staff of the Executive Offices. After full consideration I have determined that the transfer should not be made.

The work of the Radio Intelligence Division of the Commission was founded upon the long existing radio monitoring functions carried on by the Commission as a part of its essential peacetime work. The need for the expansion of these functions was brought to my attention prior to our entry into the war and I approved the general set-up. Expansion has been made to meet the war-time needs of the Commission itself and of other agencies of the Government.

The Radio Intelligence Division serves important war-time needs of several of the civilian Government agencies in the radio intelligence field, including the State Department, the Federal Bureau of Investigation, the Office of Censorship, the Bureau of Economic Warfare, the Weather Bureau, the Coordinator of

Inter-American Affairs, and others. In addition, I understand that the Commission stands ready to perform for the Army and Navy such services as are expressly requested by them. The Commission and its Chairman have expressed to me their desire to cooperate with the Army and Navy in every possible way.

It is my desire that matters of the kind presented by the present proposal be dealt with at the outset by conferences between the interested agencies. If differences should occur, the matter should be reviewed by the Board of War Communications, which is the responsible interdepartmental body I have charged with the responsibility in the field of war-time communications.

Sincerely yours,

F.D.R.

Henry Stimson

Copies to:
Secretary of the Navy
Joint Chiefs of Staff
Chairman James Lawrence Fly

C. 7. Federal Communications Commission

THE WHITE HOUSE
WASHINGTON

July 23, 1943.

MEMORANDUM FOR

HON. JAMES F. BYRNES:

Will you speak to me about this?

F.D.R.

Ltr of 7/19/43 to the President from James L. Fly, Chairman, FCC; encl copy of a ltr he hopes the President will sign, re a proposed Executive Order transferring the radio intelligence functions of the FCC to the War and Navy Depts.

COMMISSIONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

ADDRESS ALL COMMUNICATIONS
TO THE SECRETARY

T. J. SLOWIE, SECRETARY

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C.

July 19, 1943

My dear Mr. President

I do hope you can sign the attached letter. It is grounded in conclusive fact and ample record. Wayne Coy has been good enough to check the factual conclusions from the Budget Bureau's point of view and he reports that the draft contains no misstatements of fact. Your forwarding this letter without further ado will relieve you of an unnecessarily and persistently embarrassing problem. It will give this Commission and its hard-working staff a new breath of life and confidence.

I have avoided language critical of the Army and Navy except in one place. You will note, on page 4, the language is somewhat critical of the conduct of the Naval officers and the one Army officer in causing to be made public the secret documents involved in this problem as well as much secret and confidential information over this and a broader scope. Needless to say, these departures from principle on the part of the Navy and the Army have been to the great injury of the Commission and its staff and, I fear, to the Administration itself. In view of the great public damage wrought by the unwarranted disclosures, I think it would be well for you to make your response public. This will tend to square the record in the press and will bring the Commission back to a better standing with the public and with the Congress itself. On the other hand, if you conclude that it cannot be published, I shall, of course, understand.

There are many interesting side-lights in this situation. For example, in recent weeks our boys located a lost plane in which Kay Francis and other outstanding people were returning to this country and, in all likelihood, saved the lives of the passengers. Another side-light - the Justice Department convicted the group of German spies in New York, in part, upon our proof that the corresponding radio transmitter was located in Hamburg, Germany. In my files is a letter from the Director of Naval Communications giving their own calculated location of the German Station as in New Brunswick. I think I showed you personally some of the commendatory letters from the Chief of the Army Air Forces, the State



Department and others.

For your convenience there is attached a copy of the Signal Corps' report on security.

I do not want to be presumptuous but if the attached draft does not have the makings of an acceptable document from your point of view, I shall be only too happy to make another try at it.

Faithfully yours

James Lawrence Fly
Chairman

Attachments

The President
The White House

DRAFT NO. 2
July 19, 1943

Dear Mr. Secretary

This is in response to your letter of February 8, 1943, signed by you and Secretary Knox proposing an executive order transferring the radio intelligence functions of the Federal Communications Commission to the War and Navy Departments. Your suggestion has been given careful study by the staff of the Executive Offices. After full consideration I have determined that the transfer should not be made.

The work of the Radio Intelligence Division of the Commission was founded upon the long existing radio monitoring functions carried on by the Commission as a part of its essential peace-time work. The need for the expansion of these functions was brought to my attention prior to the American entry into the war and I approved the general set-up. Expansion has been made only to meet the war-time needs of the Commission itself and of other agencies of the Government. As your records will reflect, this has, indeed, been done with the full knowledge and in cooperation with the Army and the Navy.

The Radio Intelligence Division serves the important war-time needs of several of the civilian Government agencies in the

radio intelligence field. To cite only a few of the activities carried on, this Division has set up a system of policing the ether which has made it impossible for enemy transmitters in this country to communicate with our enemies abroad. Where transmitters have been set up by foreign governments, the Radio Intelligence Division has located them before any substantial communication has been effected.

The Radio Intelligence Division has performed an important task in aid of the Department of Justice in its anti-espionage campaign. One of the cases which has come to the public attention and can be mentioned without violation of security, resulted in the conviction of a large group of German spies in New York.

This Division has performed effective service in aid of the State Department and of our Latin American neighbors in the location and elimination of espionage stations in the countries to the South.

In complete cooperation with the Army Air Corps, the Commission's staff in hundreds of cases has assisted the pilots of American bombers to make their way safely to destination. Commission personnel have trained officers and enlisted personnel of

the Army and representatives of other American countries in the science of radio direction finding.

Other important services are being rendered to the State Department, the Federal Bureau of Investigation, the Office of Censorship, the Office of Strategic Services, the Office of Economic Warfare, the Weather Bureau, the Coordinator of Inter-American Affairs, the British Security Coordinator, and others.

All these agencies have expressed themselves as satisfied with the services rendered. And on many occasions both they and the armed forces have taken occasion to commend the work performed. I cannot but conclude that the Radio Intelligence Division has a commendable record of loyalty and efficiency and of significant results achieved.

The careful inquiries initiated by me failed to elicit any facts tending to show a lack of security in the Radio Intelligence Division's handling of communications and intelligence. No evidence of leaks has been presented. In the meanwhile, a security study of this Division has been made by the Signal Corps on behalf of the Joint Chiefs of Staff. The Signal Corps made its report to the Joint Chiefs of Staff on April 6, 1943, with the following findings:

"a. Crytographic security - excellent.

"b. Physical security (cryptographic systems) - excellent.

"c. Documentary and information security - excellent.

"d. Qualification of personnel - excellent.

"e. Cooperation was given fully and willingly.

"2. In view of the above, it is considered that no concern need be felt over communications originating or passed in the Federal Communications Commission organization at this time."

The foregoing record cannot but be impressive in comparison to the current record of ranking officers of the War and Navy Departments in their handling of the secret documents and information relating to these very activities.

It is observed that only a small percentage of the work of the Radio Intelligence Division has been done for the Army and Navy. In general, this has been done in response to specific requests. I understand that the Commission stands ready to perform for the Army and Navy only such services as are expressly requested by them. The Commission and its Chairman have expressed to me their desire to cooperate with the Army and the Navy in every possible way.

If at this time there are any questions outstanding as to the details of the radio intelligence operations of the various interested agencies, I would suggest that the Chief Signal Officer

and the Director of Naval Communications confer with the Chairman of the Commission with a view to adjusting all radio intelligence operations to the end that optimum results will be obtained.

Matters of the kind presented by the present proposal in the future might well be dealt with in the outset by conferences between the interested agencies. If differences should occur, an adequate opportunity is afforded by review of the matter in the Board of War Communications, which is the responsible interdepartmental body I have charged with the responsibility in the field of war-time communications. Where differences occur in the field of Governmental communications activities, it is believed that the Board of War Communications affords an adequate forum for discussion and studies of the problems, and the origination of any necessary plans looking to a proper coordination of related government activities.

Sincerely yours

F.D.R.

Copies to:
Secretary of the Navy
Joint Chiefs of Staff
Chairman James Lawrence Fly

File Personal PSF F.C.C. folder 2-43

COMMISSIONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON 25, D. C.

ADDRESS ALL COMMUNICATIONS TO THE SECRETARY

T. J. SLOWIE, SECRETARY

September 14, 1943

Dear Mr. President

The Cox Committee with its crude and unfair tactics has for itself acquired a malodorous reputation; even the conservative press have moved on to our side of this fight and have assisted this hell-bent-for-destruction Committee in bringing itself into great disrepute. For example, Time Magazine, News Week, The Herald Tribune and the New York Times have all rendered telling blows on the character of the investigation. So many people are disgusted with the thing that a considerable number of the Congressmen are genuinely worried about the matter. I think this is true on both sides of the aisle in the House. The past professional record of this man Garey is long, devious and genuinely scandalous.

Sam Rayburn knows this and is himself greatly concerned. John McCormack ought to know it, but I am fearful his feeling on the subject is not as decisive as it should be. Indeed, Garey plays church politics in such a ruthless way that this one particular relationship may be affected thereby. I think if you will tell both Rayburn and McCormack that you are fed up with this thing and that you have ground for believing that other decent and well-informed opinion is of like manner, and that you want the whole thing wound up and disposed of promptly, it may have a salutary effect.

Affectionately yours

James Lawrence Fly

The President
The White House

FOR DEFENSE
BUY
UNITED STATES SAVINGS BONDS AND STAMPS

PSF F.C.C. folder 2-43

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D. C.

file 9/27/43

Miss Tully—

The attached was handed to me by "Senator" Alvin Kantz. It may be of interest to the President.

Wayne Coy

7/20/43

MEMORANDUM:

Re: Suggested Statement at Press Conference, Answering Question Based on Statement of Chairman Cox in Reference to Presidential Order

We cannot afford to trifle with the lives of our soldiers by giving military information of a secret nature to a committee operating under procedure outlined in a memorandum, prepared by a newspaper correspondent, designed to obtain the most widespread sensational publicity.

This does not mean that the executive departments will abandon the practice heretofore followed by the State, War, and Navy Departments, representatives of which continually give information on foreign and military affairs to the appropriate standing committees, the members and employees of which, through long association and experience with such matters, can be thoroughly trusted to respect the confidential nature of information conveyed to them in executive session.

While the nation is fighting a war for its very existence, the Congress certainly does not expect representatives of our military establishment to be forced to take time out in order to answer questions of counsel who has demonstrated that his main purpose is to obtain publicity rather than information.

MEMORANDUM:

Re: Statement of Chairman Cox for Release to Saturday Morning Papers, July 10, 1943

It would be a serious mistake for the President to accept the issues stated by Cox as being the correct issues. This release gives every indication of being written very carefully and it is improbable that it was drafted after the meeting held on the morning of July 9th, at which the letters from Under Secretary Patterson and Under Secretary Forrestal were read into the record.

It is more probable that the release, or at least its basic points, were prepared in anticipation that the President would direct the Army and Navy not to testify and it is not inconceivable that the Garey letters to Knox and Stimson were deliberately designed to provoke the President into taking the position which he took.

Cox has framed the issue as one of executive dictatorship. He attempts to make it appear that the fundamental principle of the separation of powers is at stake, and that the Constitutional rights and position of Congress, as well as its dignity, are challenged. He makes much of the fact that the refusals to testify were based on grounds of "public interest" rather than the military requirements of secrecy and asks quite logically whether or not Congress is excluded from any power to consider what is and what is not in the public interest.

In denying to the Cox Committee the benefit of secret information relating to matters of a military nature vital to national safety, no precedent was established for denying to the Congress general information concerning the activities of the executive branch of the Government.

Every day information is being furnished the responsible committees of the Congress. Such committees as Foreign Affairs, Military and Naval Affairs, receive information on foreign, military, and naval matters. The information is usually given in executive session. The members of these committees, because of service in their particular fields and of their special understanding and realization of the importance of secrecy, can be and are trusted with this information, knowing that it will not be made public.

The case of the Cox Committee presents a different situation. Without reflecting on the personnel of the Committee itself, it must be remembered that the Chairman of the Committee indicates bias,

prejudice, and intemperance of such an extreme nature as to make it doubtful that his judgment can be trusted. Further, the Committee's staff have had no special training which would impress them with the confidential nature of Government business. On the other hand, they have indicated that their principal motive is sensational publicity. As an example, the Committee issued to the press letters from the Secretary of War and Secretary of the Navy which were classified as "secret". Any responsible committee would have refused to give publicity to such letters until first obtaining the advice of the Secretary of War and the Secretary of the Navy on the advisability of making the facts public.

The Congress will continue to receive from the Executive all information that may be reasonably required by its responsible committees but the safety of the American soldier fighting for this country on foreign shores cannot be imperiled through the giving of secret information to a committee operating under rules supplied by a memorandum from a newspaper correspondent which require the utmost sensational publicity concerning matters disclosed by evidence submitted to the Committee.

PSF F.C.C. Fredericks 2-43

THE WHITE HOUSE
WASHINGTON

October 1, 1943.

MEMORANDUM FOR THE PRESIDENT:

FROM: CHAIRMAN FLY

It is of the greatest importance that you see Representative Bulwinkle "off the record" today, if possible. He is being considered to take over the Chairmanship of the Cox Committee. It would be of the greatest help if you will invite Major Bulwinkle in, smile on him, and tell him that you appreciate the grand job he has been doing.

He has been helpful to the Administration in many ways but, in particular, of late in connection with the Federal Power Commission, the S.E.C. their proxy rules and the like. He is thoroughly loyal to you and fairly progressive. It is important that he have this measure of recognition and personal satisfaction. I think it probably best, however, that you make no direct reference to the Cox Committee.

PSF FCC folder 2-43

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

file personal

JAMES LAWRENCE FLY
CHAIRMAN

Dear Mr. President

The enclosures came to me straight from the Seattle-Butt-

Most sincerely

Larry

1943

Withdrawal of Cox as chairman followed a heated argument between Cox and Garey the day before Cox formally resigned. Garey told him--in the midst of their rumpus--that the FCC had,in recent months through repetition in the press,thoroughly convicted Cox of the $2,500 bribe charge,and that this accusation undoubtedly had absolutely wrecked the entire inquiry. Garey bluntly admitted to close friends that Cox not only had made a damned fool of himself,but that he had made a bigger fool of Garey.

Garey wanted to use the FCC investigation merely as a curtain-raiser for an investigation later of the SEC. He now admits that the SEC smear cannot now be undertaken on any basis, insofar as he is concerned,because he got so messed up in the FCC fiasco. He says he has his fill of Washington and wants to get back to his paying clients,where he always has,and always will find professional peace and contentment as a lawyer. He has utterly lost all desire to be a crusader in shining armor in the nation's capital.

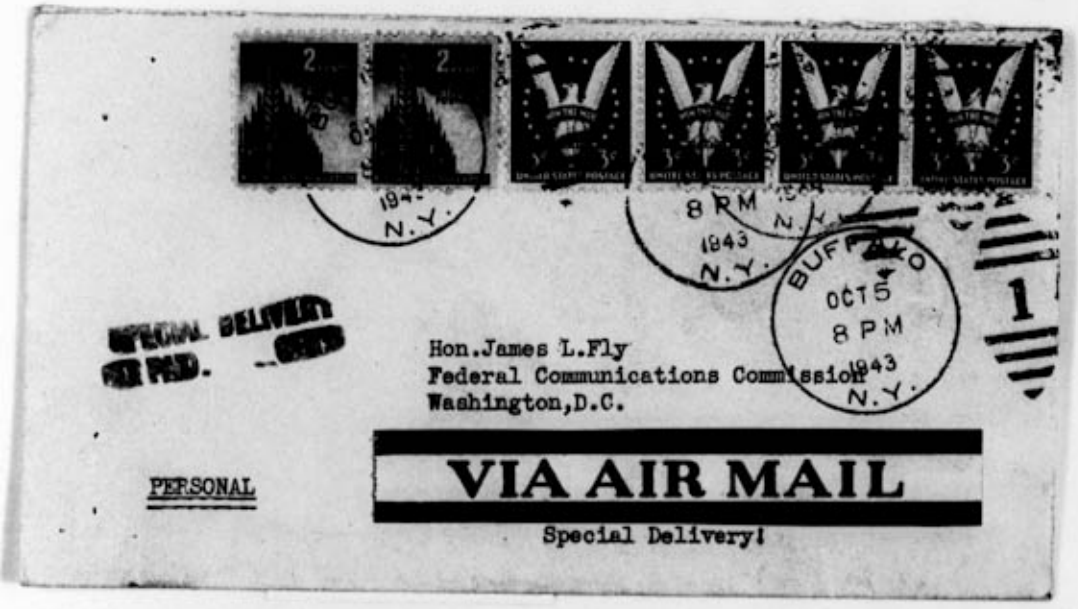
Between you and Durr,Garey is punch-drunk. He said you have been"devastating in your press conferences when asked to comment on any phase of the Cox inquiry"and that certainly some "astute mind"mapped Durr's strategy of appealing to the House to remove Cox from the special committee.

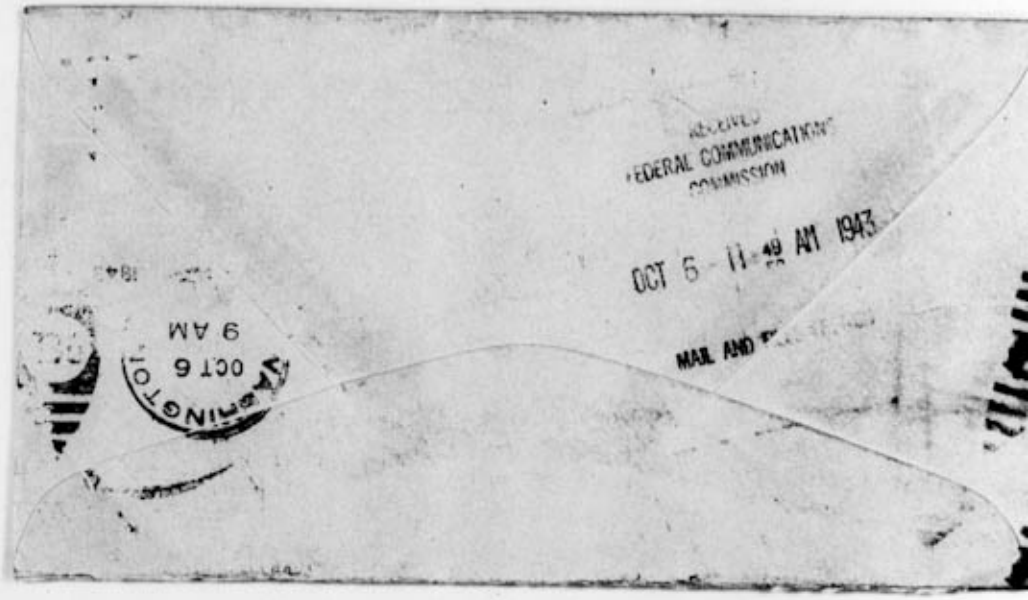
Garey was asked about the nature of a preliminary report. He quickly replied that"that lunatic"is not going to draft it,or have anything to say about such a report,if it is drawn. He was referring to Cox. From what Garey said,he and all the other Congressmen on the committee want a fast,dignified out. In other words,they want to wind up the whole thing immediately without having it appear that it has collapsed. Rayburn has agreed to a face-saving retreat,but,from what Garey intimated,Rayburn will not go for additional funds. Garey recently suggested that the committee make some sort of a preliminary report and formally ask for more money with which to delve deeper,but a wiser head(Rayburn)suggested that they not seek something when they know in advance that they will get an emphatic"No!"

Garey again complained about the networks running out on the investigation. In a preliminary star-chamber session with some of them,they had promised to rock Washington with information and data which they would prepare for him and the Cox committee. Garey said:"After Jim Fly bristled up and threw a few hand grenades into the network foxholes,they ran for their dear lives".

Garey now admits that he has a terrific respect for you, both as a man and as a public official. He no longer wants to cross swords with you in any way. He once more wants to settle down to be the Wall street lawyer that you said he was.

--0--


SPECIAL DELIVERY
FEE PAID.
Hon.James L.Fly
Federal Communications Commission
Washington,D.C.
PERSONAL
VIA AIR MAIL
Special Delivery!
8 PM
OCT 5
1943
N.Y.
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OCT 6 - 11 49 AM 1943
MAIL AND
OCT 6
9 AM

PSF

FCC folder 2-43

COMMISSIONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

ADDRESS ALL COMMUNICATIONS
TO THE SECRETARY

T. J. SLOWIE, SECRETARY

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON 25, D. C.

October 22, 1943

MEMORANDUM TO THE PRESIDENT

RE: KARL STEFAN

This is in response to your memorandum of October 16 concerning Karl Stefan for the vacancy on the Commission.

I would recommend against the proposed nomination. Coming from Nebraska, Stefan has more frequently than not been on opposite sides from Norris. His five votes on the TVA have been definitely less than satisfactory; his record on wages and hours is not good, and so on housing; on government departmental reorganization it is bad. In many of the contests he has shown himself definitely, if not bitterly, partisan. The New Republic summary of voting shows fifteen against the Administration and four and one pair in favor. He has twice voted for the continuance of the Dies Committee, and he voted to set up the Smith Committee. He has twice voted to fire Watson and Dodd. While saying things against the big interests in broadcasting, he has cried for an investigation of "the power Federal Communications Commission and diminate some of the drastic rules and regulations." He has a smattering in local broadcasting, which is probably just enough to cause him to think he knows a lot about it and to go wrong on matters of deep and basic philosophy. Most alarming of all is the pretty consistent tendency toward isolationism.

By separate memorandum, I am presenting another alternative for your consideration.

James Lawrence Fly
Chairman

The President
The White House



(952)

1059-a
Stefan

THE WHITE HOUSE
WASHINGTON

October 16, 1943.

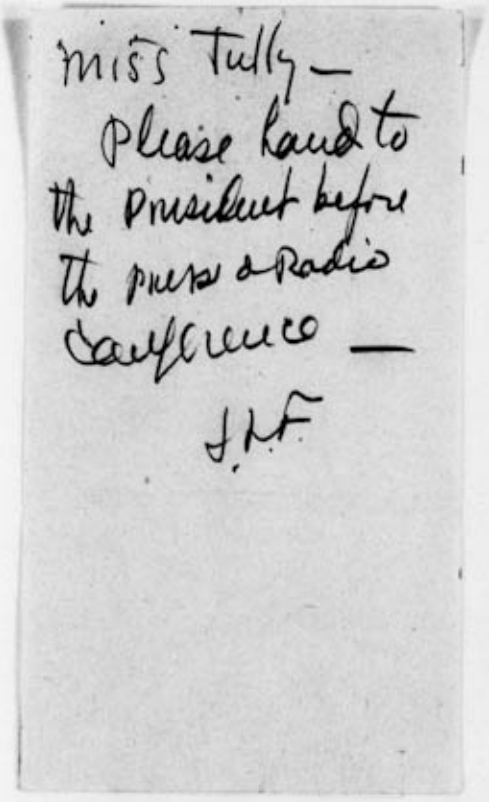
MEMORANDUM FOR

LARRY FLY: X1059

What would you think of Karl Stefan, Member of Congress from Minnesota? I understand he is a liberal Republican. This would serve a Republican vacancy.

F.D.R.

No papers accompanied the original of this memorandum to Mr. Fly.


Miss Tully—
Please hand to
the President before
the press & Radio
Conference —
J.F.

D. J. B.

Will you send a copy of this letter to Congressman Lea to Chairman Fly for his information?

G. G. T.

done 10/26/43

PSF F.C.C. folder 2-43

October 25, 1943.

Dear Clarence:

I am greatly disturbed because I understand that on October eighteenth the Hearst papers, at least the Los Angeles Examiner and the New York Journal American, published "facts" in a very secret Federal Communications Commission case. It was one involving radio transmissions from the Soviet Consulates in San Francisco and New York City. The F.C.C. was working with the State Department and the F.B.I. and this case has been classified as highly secret.

The stories were written by David Sentner, a Hearst correspondent in Washington. He has for months been publishing advance information as to the course of the investigation by the House Select Committee.

I am reliably informed that his information in the past has been obtained from Eugene L. Garey, General Counsel for the Committee.

Would you be good enough to look into this matter? I know you would be the first to eliminate this kind of thing.

Always sincerely,

S/ Franklin D. Roosevelt

Honorable Clarence F. Lea,
House of Representatives,
Washington, D. C.

COMMISSIONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

ADDRESS ALL COMMUNICATIONS
TO THE SECRETARY

T. J. SLOWIE, SECRETARY

2

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON 25, D. C.

October 19, 1943

MEMORANDUM FOR THE PRESIDENT:

Re: Disclosure of Secret Information by Eugene L. Garey, Counsel for Select Committee to Investigate the Federal Communications Commission.

On Monday, October 18, 1943, the Hearst papers, at least the Los Angeles Examiner and the New York Journal American, made public the "facts" in a most secret and delicate Commission case involving radio transmissions from the Soviet Consulates in San Francisco and New York City. It will be recalled that the F.C.C. radio intelligence staff located the transmitters in question early this year and reported the facts at once to the State Department and the F.B.I. Since that time the three agencies have acted together on the matter and the transmissions have been regularly recorded. From the outset the case has been classified as "secret" and until now, of course, no public disclosure has been made; nor have any representations been made to the Russian Government.

The stories were written by David Sentner, a Hearst correspondent in Washington, who for months has been publishing advance information as to the course of the investigation of the Commission by the House Select Committee. It can be stated definitely that his information in the past has been obtained from Eugene L. Garey, General Counsel for the Committee.

According to the Hearst story the discovery and seizure of the transmitters (actually for obvious reasons there was no seizure) "will be aired at forthcoming hearings of the House Committee Investigating the FCC." It is then stated that presumably the sets were used for direct contact with Moscow and that such use was illegal. The remaining half of the piece points out the "innumerable" cases of "flouting of American laws by agents of Communist Russia" ranging from smuggling to "the gigantic insidious and well organized boring within campaign to subvert the American form of Government to Communism." The full text is attached.



Respectfully,

James Lawrence Fly
Chairman

Attachment

APPEARING IN LOS ANGELES EXAMINER OF MONDAY, OCTOBER 18, 1943, PAGE 13, PART 1, and in the NEW YORK JOURNAL AMERICAN.
BY

DAVID SENTNER OF THE WASHINGTON BUREAU OF LOS ANGELES EXAMINER OCTOBER 17.

The discovery and seizure of powerful short wave radio sets in the Soviet Consulates in New York City and San Francisco after Pearl Harbor will be aired at forthcoming hearings of the House Committee Investigating the FCC. It was learned today the radio sets presumably used for direct contact with Moscow or Soviet Listening Posts abroad were unlicensed and reported to have been discovered by FCC's Monitors checking the ether for illegal radio transmissions.

The FCC allegedly kept the seizure of the sets secret.

Whether the Consulate used such sets for transmitting messages abroad during the Hitler-Stalin Pact is unknown.

Broadcasts are Banned

Since America entered the War all short wave broadcasting to foreign points other than that conducted by Government Agencies has been banned. The use of a short wave broadcasting set without a license by a Consulate or individual during peace time is a direct violation of the law. Under the Wartime Emergency Government Regulations it will be looked upon as of even more serious offense. The flouting of American laws by agents of Communist Russia is recorded in innumerable files of government investigative bureaus.

Passports Fraud

The examples range from smuggling of propaganda funds from the Soviet, illegal entry of Communist agents, passport frauds (Earle Browder, General Secretary of the Communist Party in the United States was convicted and sentenced to a penitentiary term for such a crime) to the gigantic insidious and well-organized boring within campaign to subvert the American form of Government to Communism. The Comintern, the International Organization directing the spread

of a Red World Revolution was ostentatiously "dissolved" by Stalin last Spring but it is continuing its activities from headquarters established in Switzerland according to authoritative reports. The Communist party in the United States walks the Moscow party line without deviation.

Changed Name

The Communist front organizations continue to change their name as their propaganda operation becomes too well known. The Young Communist League of the United States "dissolved" last Sunday in New York City to adopt an unknown (sic) name without the word "Communist" in its new organization, which will broaden its "base of leadership". If the forthcoming conference in Moscow among Allied Statesmen should result in getting orders from Stalin to his agents to suspend all communist propaganda it will be a thousandfold more rosy hued communique regarding the Soviet intention of collaborating with Democracies for a post War World of peace and mutual trust.

3851

CLARENCE F. LEA
1ST DIST. CALIFORNIA

file

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

THE WHITE HOUSE
NOV 6 8 45 AM '43
RECEIVED

November 1, 1943.

The President
The White House
Washington, D. C.

Dear Mr. President:

I received yours of the 28th in reference to information revealing the activities from the Soviet Consulates in San Francisco and New York.

I trust this situation, that resulted in such disclosures, can shortly be terminated, and I will take an interest to that end.

Sincerely yours,

Clarence F. Lea

cfl/y

F.C.C. file 2-43

PSF

Mr. President:

Chairman Fly is very anxious to have an appointment with you as there are some things that just "will not hold". He would appreciate it if he could come and lunch with you, as he is afraid a ten or 15 minute would be too short.

GGT

COPY

PSF
F.C.C.

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON 25, D. C.

December 14, 1943

file

MEMORANDUM TO THE PRESIDENT

RE: NEWSPAPER OWNERSHIP OF RADIO STATIONS

In the industry, in both Houses of Congress and within the Commission there is an irrestible demand that the Commission announce its policy on newspaper ownership of domestic radio stations. The Court of Appeals for the District of Columbia seems to cast serious doubt upon the legality of any arbitrary rule excluding newspaper ownership. The adoption of an arbitrary rule or any rule that will have a telling impact will lead to substantial added criticism of the Commission and, I believe, of the Administration itself.

A few days ago Commissioner Wakefield submitted the following outline of a proposed policy on future newspaper acquisition of stations. I am confident that something in these rough contours represents the maximum that can be achieved at this time in terms of limitation. We shall be unable to sit on this for many more days.

(Signed) JAMES LAWRENCE FLY

James Lawrence Fly
Chairman

Copy of proposed policy
attached

C
O
P
Y

PROPOSAL FOR DECISION IN NEWSPAPER PROCEEDING

That the Commission issue a proposed report in the Newspaper proceeding (Order 79) on the following lines:

1. That the Commission shall not adopt a categorical rule barring newspaper owners from grants of construction permits of licenses or from becoming transferees of licenses.

2. That in the interest of diversifying the ownership of the media for the dissemination of public information the Commission shall consider newspaper ownership as one element of public interest in issuing CP's or authorizing transfers; that in the case of competitive applications, the grant should be made to a non-newspaper applicant, in preference to a newspaper applicant, other elements of public interest, convenience and necessity being reasonably equal, but that in all proceedings a newspaper will have an opportunity to show that public interest will be served by a grant to it.

3. That all cases in the pending files pursuant to Order 79 be taken therefrom and disposed of promptly.

4. That the newspaper proceeding be dismissed.

THE WHITE HOUSE

WASHINGTON

December 15, 1943

MEMORANDUM FOR GRACE TULLY.

Chairman Fly is very anxious to get this to the President as soon as possible. Apparently they are pressing him very hard on newspaper ownership of domestic radio stations.

S. I. R.

COMMISSIONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

ADDRESS ALL COMMUNICATIONS
TO THE SECRETARY

T. J. SLOWIE, SECRETARY

FEDERAL COMMUNICATIONS COMMISSION
~~WASHINGTON XDXC~~
WASHINGTON 25, D. C.

December 14, 1943

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James Lawrence Fly
Chairman

Copy of proposed policy
attached

FOR DEFENSE
BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

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3. That all cases in the pending files pursuant to Order 79 be taken therefrom and disposed of promptly.

4. That the newspaper proceeding be dismissed.

PSF FCC Freedy 2-7-43 file personal

THE WHITE HOUSE

WASHINGTON

December 20, 1943.

MEMORANDUM FOR THE PRESIDENT:

Chairman Fly telephoned me after seeing you today to give me a reminder of the things you discussed this morning with him.

1. In connection with getting Garey off the Committee, he suggests you needle Biddle on the Desverene matter. And also you told him you would get hold of Ed Hart yourself or ask Mary Norton to speak to him.

2. In the matter of the vacancy on the Commission, you told Pa Watson to speak to Sam Rosenman and Jim Barnes and that you would send up the name of the Chief Engineer Ewell K. Jett as soon as the Senate convenes.

3. In regard to International Communications, he told you two things were essential now rather than later.

(a) Unification of the American companies

(b) Getting going on conferences and working out the mutual problems with the British.

You told Chairman Fly you would speak to the Secretary of State tomorrow and would suggest that we have a three-man committee to deal with the British to work out the problems.

GGT

COPY

PSF F.C.C. folder 2-44

MEMORANDUM FOR THE ATTORNEY GENERAL

I understand that the House Committee that is investigating the Federal Communications Commission has asked Mr. Hoover to testify about some transactions between the Department of Justice and the Commission that relate to the internal security of the country. It is not in the public interest to have these transactions discussed publicly at this time. I do not wish Mr. Hoover or any other officer of the Department of Justice to testify as to these matters, and the correspondence relating to them should not be publicly disclosed. I gave similar directions to the Secretaries of War and Navy last summer when certain officers were asked to testify before the committee with regard to matters relating to the exercise of war powers by the Army, Navy, and F. C. C.

FRANKLIN D. ROOSEVELT

January 15, 1944.

(No papers accompanied the original of this memorandum to the Attorney General.)

Orig. corres. is filed - Justice Folder, dr. 2-44.

PSF F.C.C. folder 2-44

THE WHITE HOUSE
WASHINGTON

Jan. 27, 1944

MEMO FOR MISS TULLY:

Mr. Jorgersen called to say that he had just had a telephone conversation with Chairman Fly who is in N.Y. They are greatly concerned over the appropriations cut by the Appropriations Committee on Independent Offices. They cut a million dollars off their appropriation in an effort to belittle them and dispense with the radio intelligence work. Also a half million dollars cut in their foreign service intelligence work.

They believe that McCormack should be notified when this appears on the floor that a record vote should be taken to see who it is that is responsible for this, etc

Mr. Jorgersen says Mr. Fly asks if you think in your judgment this should be brought to the attention of the President now, will you do so. Mr. Jorgersen wants you to call him and let him know what you decide.

djb

PSF F.C.C. file 2-44

COMMISSIONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON 25, D. C.

ADDRESS ALL COMMUNICATIONS TO THE SECRETARY

T. J. SLOWIE, SECRETARY

Sunday 2-6-44

MEMORANDUM FOR MISS TULLY:

Next Tuesday, February 8, Garey plans to open up on Ed Noble's acquisition of (1) Radio Station WMCA, New York, and (2) The Blue Network. This is specifically designed to injure the Administration. The clippings are a preview, put out by Garey, of what may be expected. All of this "dirt" originates with Garey.

Taking up these matters now will preclude our putting in our case on the Radio Intelligence and Foreign Broadcast divisions until Senate has acted on House vital out of appropriations which support these essential services. Thus Garey will succeed in overriding the President's decision not to transfer the Radio Intelligence Division.

It will do no good to get rid of this shyster a month from now. He must be fired now, and the hearings beginning on Tuesday should be devoted to the presentation of our own case on Radio Intelligence and Foreign Broadcast.

Congressional leaders are conferring Monday a.m.

Enclosures

FOR DEFENSE
BUY
UNITED STATES SAVINGS BONDS AND STAMPS

LIST OF ENCLOSURES

"House Probers Scrutinize Sale of Radio Chain"
. . . . . .Chicago Tribune, January 5, 1944

"Blue Network Deal Linked to Hopkins"
. . . . . .Washington Times-Herald, January 4, 1944

"Rebuff to Joint Staff"
. . . .Washington Evening Star, February 5, 1944

"Vote Out Radio Intelligence in FCC Cash Bill"
. . . . . .Chicago Daily Tribune, January 26, 1944

"Congress Group Probes Sale of Blue Network"
. . . . . .Washington Times-Herald, January 5, 1944

"Plot to Pack FCC Charged to White House"
. . . . . .Washington Times-Herald, January 14, 1944

PSF FCC folder 2-44

COPY

THE WHITE HOUSE

WASHINGTON

February 16, 1944.

MEMORANDUM FOR THE PRESIDENT:

The Attorney General just telephoned to say that Jim McGranery has been working very hard to get rid of Garey. His work has been very effective.

The Attorney General tells me that what is happening is this. They are going to announce today that all hearings on the WMCA radio case will be postponed until the Court decides it in New York.

Garey, according to the schedule planned -- and they think it will go through -- will resign either today or tomorrow.

Probably the two Republican members who did not turn up yesterday will resign. Joe Martin will probably not appoint anybody in their places.

Boy, is this good news to us!

GGT

(Orig. memo filed - F. Biddle Folder, 2-44)

PSF
F.C.C.

THE WHITE HOUSE

WASHINGTON

February 16, 1944

MEMORANDUM FOR MISS TULLY:

The Staff Room has been asked to thank for the return of this letter. It is being sent to you for filing, since it has been marked "Confidential."

Fred W. Shipman

DEFENSE COMMUNICATIONS BOARD
WASHINGTON, D. C.

MEMBERS

JAMES LAWRENCE FLY, CHAIRMAN
JOSEPH O. MAUBORGNE
LEIGH NOYES
BRECKINRIDGE LONG
HERBERT E. GASTON, SECRETARY

~~CONFIDENTIAL~~

May 5, 1941

TO: The President

FROM: Defense Communications Board

VIA: Mr. Wayne Coy, Liaison Officer, Office for Emergency Management

SUBJECT: Proposed Memorandum from the President to heads of executive departments and other federal agencies concerning the possible utilization of governmental communications facilities by the Army and Navy.

The Defense Communications Board, acting upon the recommendations of a special committee of government communications experts, respectfully submits the attached administrative memorandum for approval and issuance by the President.

The purpose of the memorandum is to request the cooperation of all departments and agencies of the United States government in regard to plans for the possible utilization of non-military governmental communications facilities by the Army and Navy. A proposed Executive Order to carry out the plans set forth in the memorandum is being held in the files of the Defense Communications Board for submission to you in the event that future conditions may warrant such action.

James Lawrence Fly
Chairman

Attachment

MEMORANDUM

FROM: The President

TO: Heads of executive departments and other federal agencies

The cooperation of your Department is requested in regard to plans for the utilization of communication facilities in the interest of national defense. It is desired that the Department take all appropriate and lawful measures to insure that the wire and radio facilities owned or operated by it will be immediately available for such national defense purposes as may be required in time of war or national emergency. If revision of the rules and regulations relating to such facilities is necessary or desirable, it is expected that the Department will take the proper steps to accomplish the changes. So far as possible, plans and arrangements in anticipation of national defense use shall be undertaken without detriment to the normal service being performed by the facilities in question.

The Defense Communications Board has examined data on non-military government wire and radio facilities and has tentatively classified such facilities with respect to their possible utilization for national defense purposes. A statement containing this classification is attached hereto. It is to be understood that modifications and additions may be necessary as further information is received. Inquiries with respect to action which may be taken hereunder should be directed to the Defense Communications Board.

Every effort will be made to avoid interruption of the normal continuity of control and management of the facilities in question and operation will be by the usual personnel so far as practicable.

Attachment.

THE WHITE HOUSE

CLASSIFICATION OF FACILITIES BY DEFENSE COMMUNICATIONS BOARD

The Defense Communications Board recommends that non-military Government radio facilities be placed in categories as follows (the symbols indicate the category and the military service primarily interested in possible national defense uses of the specific stations):

CATEGORIES OF RADIO FACILITIES

(1) Those stations which the Army or the Navy may require in time of war or other national emergency to supplement their peacetime circuits.

(2) Those stations from which the Army or the Navy may require some circuits, or those stations all of whose facilities may be required part time.

(3) Those stations which should remain in operation as non-military government stations to serve essential government or civilian needs.

(4) Those stations which are not required by the Army or the Navy, or for other national defense purposes. These stations may be allowed to continue in operation as in peacetime, or they may be closed.

Legend:
N - Navy Department
W - War Department

RADIO FACILITIES

Department of Agriculture
- Forest Service stations - (2)W

Department of Commerce
- Civil Aeronautics Administration
  - Interior airways radio aids to navigation - (2)W
  - New York station - (2) N primarily, W secondarily
  - San Francisco station - (2)N
  - New Orleans (proposed) station - (2)N
  - Seattle station - (2) N or W
  - Alaska stations - (2) W or N
  - Pacific Islands stations and others outside the United States and Alaska - (2)N
- Weather Bureau
  - Cape Henry station - (2)N
  - Swan Island station - (2)N
  - Mt. Washington station - (2)W
  - San Miguel station - (2)N
- Bureau of Standards stations - (4)

Federal Communications Commission stations - (3)

Department of the Interior
- Fish and Wildlife Service
  - Fixed stations in Alaska - (2)W
  - Maritime mobile stations - (2)M
- National Park Service stations - (2)W
- Geological Survey stations - (4)
- Division of Grazing stations - (2)W
- Bureau of Reclamation stations - (2)W
- Territories and Possessions
  - Pacific Island stations - (2)M
  - Alaska Railroad land stations - (2)W
  - Alaska Railroad mobile stations - (2)M
- Bonneville Power Administration stations - (1)W
- Office of Indian Affairs stations - (2)W

Department of Justice
- Immigration and Naturalization
  - Border Patrol stations - (2)W
- Federal Bureau of Investigation stations - (3)

Tennessee Valley Authority - (4)

Treasury Department
- Secret Service and Mint stations - (3)
- Customs
  - St. Albans, Vt., station - (2)W

WIRE FACILITIES

In addition to the above radio stations, the telephone and telegraph (including teletype) lines and circuits which may be government owned and operated by the following agencies are peculiarly adapted to utilization for possible aircraft warning service or for the transmission of other important national defense traffic and may be required, in whole or in part, by the War Department:

Department of Agriculture
- Forest Service
- Soil Conservation Service

Department of Commerce
- Civil Aeronautics Administration

Department of the Interior
- Bonneville Power Administration
- Bureau of Reclamation
- Division of Grazing
- National Park Service
- Office of Indian Affairs

Tennessee Valley Authority

In the opinion of the Board, interconnecting facilities or control lines must be arranged for cooperatively as the need becomes apparent.

PSF FCC folder - F.D.R. 2-45 - To be thru clearing house for this —

RADIO CORPORATION OF AMERICA
RCA BUILDING
30 ROCKEFELLER PLAZA
NEW YORK

DAVID SARNOFF
PRESIDENT

March 7, 1944.

The President,
The White House,
Washington, D. C.

Dear Mr. President:

In our discussion at the White House on Sunday last you did me the honor of asking my views on the communications problems which face our nation. I thought it might be helpful to you if I furnished you with copies of the statements I have previously submitted to the State Department, wherein I presented my views and recommendations on these problems.

Accordingly, I beg leave to submit herewith the following documents:

1) An American Communication Policy Providing For Unified Operation and Control Of All United States International Telecommunication Services.

(Copies of the above statement were sent by me to the Chairman of the Federal Communications Commission, the Chief Signal Officer of the U.S. Army, and the Director of Naval Communications of the U.S. Navy).

2) International Broadcasting After The War.

As I said to you during our meeting, there are two distinct and separate fields in international communications. One is the transmission of overseas messages,- by telegraphy or telephony, either by radio or cable. The other is international broadcasting on a world-wide scale.

For reasons of national defense and security and for the purpose of promoting the commercial and diplomatic interests of the United States, our Government is naturally interested in both of these fields.

Studies made by Government Departments, as well as by private carriers, have resulted in general agreement on the principle that our national interests require enactment by Congress of a new law which would permit and achieve unification of American facilities employed in international communications.

The field of international broadcasting presents novel and complex problems. They would seem to call for Government interest and participation to an extent that would not be contemplated in ordinary private enterprise. The great importance of international broadcasting in time of war is now apparent. Its importance in helping to preserve the peace that will follow, may be equally great.

May I express to you once more my deep appreciation for the opportunity you have given me to present to you my views on this vital subject.

With warm personal regards,

Respectfully yours,

David Sarnoff

THE WHITE HOUSE
WASHINGTON

April 3, 1944.

MEMORANDUM FOR

S.I.R.

To study this and tell me what you think I should do.

F.D.R.

FOR DEFENSE
BUY UNITED STATES SAVINGS BONDS AND STAMPS

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON 25, D. C.

ADDRESS ALL COMMUNICATIONS TO THE SECRETARY

~~CONFIDENTIAL~~

APR 13 1944

Memorandum to the President

SUBJECT: International Telecommunications Problems
I. Unification of U.S. companies.
II. U.S. problems with British.

Many present and expected developments in our domestic and foreign affairs, having a particular impact upon the progress of the war, impel me to urge that certain immediate steps be taken at your direction looking towards a prompt solution of the many vital problems confronting us in the field of international telecommunications. I most earnestly feel that we are now at a critical juncture where machinery must be put into immediate motion to this end and therefore respectfully recommend that you take the following steps at the earliest possible moment:

I. Recommend to the Congress the enactment of legislation for the unification of our U.S. companies engaged in international telecommunications along the lines outlined in attachment A of this memorandum. (In attachment B, the major defects of the recently publicized Navy Department plan for international merger are discussed.)

II. Appoint a three man delegation consisting of representatives of the Department of State, the Joint Chiefs of Staff, and the Federal Communications Commission, for the purpose of conferring in London with British interests upon a number of serious international telecommunications problems particularly affecting the interests of our country. These problems are outlined in attachment C of the memorandum.

Respectfully submitted

[redacted]
Chairman

ATTACHMENT A

Salient Features of Unification of United States International Communications Operations

Purpose:

The unified company should have the purpose of promoting the public interest of the United States in providing a comprehensive, world-wide wire and radio communication system for the efficient, expeditious, easy, and voluminous flow of international communications by instantaneous direct means, at the lowest feasible charges.

Nature and Scope:

1. Unification should be mandatory if necessary. Legislative hearings should indicate whether permissive merger would be accomplished within a reasonable time.

2. The unified company should be organized under a Federal charter.

3. The unification should include all overseas and intercontinental public correspondence services, both cable and radio, and both telegraph and telephone, including press, aviation, and maritime services, to or from or through the United States. It should not include international broadcasting, the maritime and aviation safety services, and existing land lines on the North American continent.

4. The unified company should be required to maintain adequate facilities for the specialized handling of press communications at low rates.

5. After the war, the unified company should be permitted to acquire United States Government-owned telecommunications facilities in foreign countries and acquire the necessary concessions from foreign governments to operate such facilities for the handling of public correspondence.

6. The unified company should be allowed to conduct communications operations between or within foreign countries only after prior United States Government approval upon specified public interest standards.

7. The unified company should be allowed to conduct manufacturing activities here and abroad for its own telecommunications operations only.

8. The unified company should be controlled solely by United States interests, and all of its officers and directors should be United States citizens.

9. Restrictions should be imposed against alien ownership of the securities of the unified company.

10. Domestic communications interests should be excluded from any control of the unified company and definite limitations imposed with respect to the extent of ownership by such interests of the securities of the unified company.

11. Appropriate provision should be made to assure the widest public ownership by United States citizens of the securities of the unified company and to prevent control of the unified company by any single interest.

12. The legislation should prohibit any international communication operations to, from, or through the United States, by any new United States interest other than the unified company. Such operations by any new foreign interests should be considered only upon the basis of reciprocity.

13. There should be appropriate and specific legislative protection of the interests of employees affected by the unification.

Extent of Government control and Considerations involved in a plan for unification of international telecommunications operations under 51% government ownership.

14. Since the unified company is to be an instrument of national defense and would have a monopoly of vital utility services, there are considerations in wartime which point toward the desirability of some degree of Government ownership. Joint government and private ownership of a single company to handle international telecommunications business involves an inherent inconsistency between the purpose for which the government would make its investment and the purpose for which the private interests would make their investments. Theoretically control of 51% of the stock by the government would assure effectuation of governmental policies, but the existence of a private minority interest concerned with profit to itself would necessarily create conflicts which might be resolved by unduly compromising public interest considerations. The existence of these conflicts would militate against the formulation of definite and clear cut policies in a field where clarity, definiteness and continuity of policies is highly important to the protection of American national interests vis-a-vis foreign interests.

15. The Corporation would be a hybrid affair - neither governmental nor private - and with no clear placement of authority or responsibility. There would be created a real potential for doubt,

confusion and conflict. This would be true within the board or management group - and the regulatory body would be left in a position of ambiguity and embarassment. In this regard it would seem that national policy can be effectuated in a more satisfactory and orderly way by comprehensive regulation.

16. Direction of the affairs of the company by the government would be certain to give rise to claims by the private investors of a government obligation to guarantee their profits and their investments. It is seriously questionable whether a single group of private interests should be permitted to profit from an organization in which there is a substantial investment of public funds and whose success or failure will depend upon governmental direction. The general public may well claim that this particular group of private investors is unduly favored by its rights to share in the profits and the management of a government enterprise. In view of the conflicts and ambiguities inherent in a plan for joint government and private ownership, it is believed that if a plan of government proprietorship is to be considered at all, it should be one providing for complete government ownership.

17. However, the primary objective is unification of the companies doing business in the field of international communications and it is thought that any plan for government control or ownership of a single company engaging in these operations is unfeasible at this time because of the strenuous opposition which it would encounter. There is a basic attitude which is opposed to government ownership or control on the ground that it narrows the field in which private enterprise and initiative may develop, that political considerations interfere with efficiency, that the absence of a profit motive hampers progress, and that the personnel policy of government fails to provide the incentives offered by private enterprise. In view of the existence of these attitudes, any proposal made for government ownership of a unified international telecommunications system might jeapordize the early passage of any legislation for the unification of international telecommunications operations. Our chief need for unification of international telecommunications operations is related to the early creation of a suitable instrument for coping with the many existing problems and others which will arise in the immediate post-war era. Delays engendered by the strong opposition which is certain to be exerted against any proposal for complete or partial government ownership may be fatal to the attainment of the most important objectives of unification. The need for early unification is so urgent that the risk of such opposition and delays can ill be afforded.

18. For these reasons, it is believed that unification under private ownership subject to stringent regulatory controls here proposed would assure a degree of government control adequate to meet the most pressing necessities in the field of international telecommunications. The proposal for unification on this basis would avoid the vigorous objections and delays which would be attendant upon a proposal involving any degree of government ownership.

19. With proper regulatory safeguards, the objectives of unification

including considerations relating to national defense may be achieved if the merged company is privately owned. Under private ownership, there should be no Government participation in the management of the company since this would prove a barrier to effective Governmental regulatory control and would inevitably create the misleading impression of Government responsibility in the financing and other operations of the company. The artificial imposition of a Government advisory body is bound to cause continuing conflicts and confusion among the private management, such an advisory body, and the regulatory body. Government advice should run only to the Government regulatory body.

20. Proper governmental control should be achieved by the following effective regulatory controls:

a) Prior approval by the regulatory agency of all negotiations, contracts, and other arrangements affecting international communications services.

b) Authority in the regulatory agency to approve or disapprove all extensions and abandonments of service and facilities and to require installations, extensions, abandonments, and improvements of service and facilities in the public interest.

c) The unified company should be required to conduct appropriate research, and the regulatory agency should have authority to require, in the public interest, the liberal exchange between the unified company and others of rights under patents and inventions.

d) The unified company should be required to acquire equipment and supplies for use in its telecommunications operations at the lowest possible cost. It should be permitted to purchase such equipment and supplies provided that competitive bidding be required for substantial purchases.

e) In addition to the above, the unified company should be subject to existing regulatory controls with respect to rates, services, facilities, and accounting, with these existing controls being supplemented as may be appropriate in the light of the monopolistic character of the unified company.

[redacted]

ATTACHMENT B

The Navy Plan for Unification of International Telecommunications Operations

This plan is seriously defective in regard to the most important feature of unification, the nature of Government control of the unified company. It proposes direct participation by the Government in the management of a proposed private international telecommunications monopoly through representation of five Government Departments on the Board of Directors: State, War, Navy, Post Office, and Commerce. It would eliminate certain important regulatory controls which now exist, such as those over extension of service and routing of traffic. More serious still, is the failure of the plan to provide for the protection of the public interest by supplementing existing regulatory controls, which are wholly inadequate for an international monopoly.

The anomalous plan for government participation in management of a private company has certain serious disadvantages:

1. Such a plan of participation would inevitably lead to a misleading impression on the part of foreign governments and other foreign interests that this company is an instrumentality of the United States Government and that its actions are official actions of the United States Government. This will lead to serious embarrassments to the United States Government in the conduct of its official international relations.

2. Such participation would be a barrier to effective regulatory control by various federal and state agencies, such as the Federal Communications Commission, the Securities and Exchange Commission, the National Labor Relations Board, the Treasury Department, and local taxing authorities, for the reason that serious embarrassments would be created when the government regulatory agency is called upon to review actions of the company taken with the concurrence of the Government directors.

3. It would inevitably lead to a misleading impression of Government financial participation in the company and reliance thereon by stockholders, creditors, and investors. This cannot fail to lead to a public expectation that the success or failure of the company is a Government responsibility with consequent pressures upon the Government for financial assistance to the company.

4. It would inevitably expose the Government to the criticism of direct interference in the management of a purely private concern, and lead to serious conflict and confusion with the regulatory body.

5. Regardless of the purity of the motives of the Government directors appointed to serve on the Board, there could not fail to be present in their minds, the not illogical expectation that the experience acquired by them in their participation in the affairs of the company is a perfectly proper basis for subsequent employment with the company on a more remunerative basis. This might create serious conflicts of interest and ineffectual arms-lengths dealings in controversies affecting the private interests of the company versus the general public interest.

6. A Board theoretically representative of Cabinet officers simply will not function as such to reflect an efficient and continuous governmental communications policy. Such policy matters would inevitably be handled by subordinates in the respective departments. In these specified departments, both the heads thereof and the responsible subordinates are of a temporary character. Therefore, continuity of administration and, indeed continuity of policy upon particular matters will be impossible. The only effective place for efficient and continuous administration in this field is in the permanent regulatory body devoted to this particular field, specializing and experienced in the problems thereof, and maintaining a permanent civil service staff of experts trained to such problems.

~~CONFIDENTIAL~~

ATTACHMENT C

Preliminary Agenda Problems
for discussion with the British

1. The recognition of the principle of permanent direct communication circuits between the United States and British controlled points. This should include automatic relay when necessary. (At present, in many cases the British will not permit direct communication between the United States and British controlled points, and in certain cases where such direct communication has been permitted, the permission has been limited to the duration of the war and six months thereafter.)

2. When direct communication circuits are established between the United States and British controlled points, there should be assurance that traffic from such points to the United States will be routed over such circuits without any restriction as to volume, to the end that there will be the most effective utilization of the direct facilities. (The British continue to handle traffic between British controlled points and the United States over indirect routes despite the fact that direct facilities have been established between certain such points and this country. Further, the British have imposed the restriction that traffic which originates or terminates in countries other than the United States and the British controlled point shall not be handled over the direct facilities.)

3. Rates for communications between the United States and British controlled points should be reduced to the lowest feasible level, and a sound uniform rate structure for such communications should be established. (At present, the basic rates range from 20¢ to more than $1.00 per word.) The principles on which such a rate structure should be based should include a low uniform maximum rate for all messages throughout the world in all directions, with special attention being given to the establishment of a cheap rate for press communications.

4. The establishment of an equitable basis for the division of tolls between the United States companies and the British companies.

5. Discussion of the possible modification of the terms of the existing lease of cables from the British company (Anglo-American Telegraph Company) to The Western Union Telegraph Company to eliminate restrictions against transfer of such cables. In this connection, there should be explored the possibilities of arranging for a division

of ownership of all North Atlantic cables as between United States and British interests, respectively, and for the acquisition by United States interests of British-owned cables in the Western Hemisphere which would appropriately form an integral part of an American Communications system.

The topics listed above constitute a preliminary agenda, which is limited to matters of immediate and pressing concern in the regulation of international communications by the Federal Communications Commission. It is believed that progress can be made in the resolution of these problems by early discussions with the British, particularly in view of the existing close unity between the British and the United States.

Not included in the above agenda, but left for subsequent discussion, are certain fundamental problems of international telecommunications, with post-war implications, such as those presented by the International Telecommunications Convention and attached Regulations, as, for example, frequency allocation problems, the proper scope of the international telegraph regulations, and related problems. These problems are presently under study by the Special Committee on Communications of the Department of State. When these broader matters are to be discussed with the British, a larger United States delegation, including members of the Congress, would be appropriate.

PSF
F.C.C.

THE WHITE HOUSE
WASHINGTON

March 14, 1944.

MEMORANDUM FOR

THE PRESIDENT:

Chairman Fly telephoned to me to say he conferred with Senator McKellar this morning and he implicitly confirmed that he had been in touch with some of the people at the War Department. Then Chairman Fly pressed him a little and asked him if he was sure that he had gone to people in authority. He assured him he had but he could not disclose the people with whom he talked.

GGT

PSF F.C.C. folder 2-44

THE WHITE HOUSE
WASHINGTON

File Personal

March 22, 1944

MEMORANDUM FOR THE PRESIDENT:

Chairman Fly urgently called with regard to the story on the front page of today's New York Times re Admiral Hooper's statement, etc. Fly believes it is pure tripe and nothing to it. However, he thinks it is pretty important that the Secretary of the Navy call Admiral Hooper and tell him to wire in a detailed statement on this matter immediately and then the Secretary make a release on it today.

djb

SAYS WHITE HOUSE SILENCED REDMAN ON FCC 'BUNGLING'

NEW YORK TIMES

Rep. L. E. Miller Asserts Rear Admiral Drew Fire for His Data to House Group

PERIL TO NAVY FORCE TOLD

Missourian Declares Threat of Demotion Was Used—Fly Charges 'Innuendoes'

Special to THE NEW YORK TIMES.

WASHINGTON, March 21.—Representative Louis E. Miller, Republican of Missouri, declared today that because of "bungling" by the Federal Communications Commission a Navy task force in Alaskan waters was ordered out on a fruitless mission, in the course of which a man was disabled, and that for disclosing the fact to the Special House Committee investigating the FCC, demotion was recommended of Rear Admr. Joseph R. Redman, director of naval communications, and representative of the Navy Department on the Board of War Communications.

Mr. Miller's statement, made at today's hearing by the committee, identified, for the first time, Admiral Redman as one of the naval officers upon whom, together with Rear Admr. Stanford C. Hooper, now retired, T. A. M. Craven, FCC Commissioner, testified last December that "reprisals" were visited for opposition to the policies of James Fly, chairman of the commission, and of the War Communications Board.

That Admiral Hooper was one of the two officers referred to by Commissioner Craven, who gave the names to the committee in executive session, was revealed last Dec. 10 by Representative Clinton Anderson, Democrat, of New Mexico.

"Disciplinary Action" Was Urged

It was reported at the time, but not officially confirmed, that "disciplinary action" had been recommended but not taken, in the case of Admiral Redman for supplying information to the committee, as had Admiral Hooper, before the Presidential order forbidding cooperation with it by officers of the Army and Navy.

The matter was brought up at today's hearing of Charles Denny, FCC counsel, when the witness was asked by Representative Miller to "furnish a copy of the letter written by an Under-Secretary of the Navy in reference to the demotion of Admiral Redman."

Mr. Denny said that he had no knowledge of such a letter, and Mr. Miller outlined its "factual background" as follows:

"Admiral Redman had testified before the staff of this committee. He had given certain testimony regarding Pearl Harbor and regarding an accident that had occurred to the task force operating in Alaskan waters. After this testimony was given by Admiral Redman, a copy of his statement was requested by the White House. After the contents had been learned, Mr. Fly read in the presence of Commissioner Craven, a letter presumably from the White House in which it was stated that certain things might happen to Commissioner Craven and others who testified in secret before the committee investigating the FCC. A copy of this alleged letter or note from the White House was shown to Commissioner Craven."

Would Produce Letter

Mr. Miller added that if the Navy Department would relax its rules and permit him to do so he would produce the letter, and Mr. Denny replied that he wished he would because he would love to know the date when this task force is supposed to have gotten into difficulties because of information given by the FCC."

Mr. Miller suggested that he get in touch with Admiral Hooper, who could tell him "what task force it was, where it was, and what happened as a result of the bungling of the FCC."

Mr. Denny protested that the charge was a "terribly serious" one, of which there "is no evidence whatever," to which Representative Miller retorted sharply:

"Of course there is no evidence, because Admiral Hooper has been silenced by Executive Order. You know that and I know that and everybody here knows that."

Mr. Denny entered a "categorical denial" of the incident, declaring that when he was informed as to "when it is supposed to have happened" it would be "affirmatively disproved."

[illegible] Admiral Hooper to testify we will prove it. On that same subject, I hope to produce one or two boys on that task force, one of whom has been disabled as a result of the bungling of the Federal Communications Commission."

In a statement issued tonight Mr. Fly charged that "in throwing sneak punches at the commission in the form of unsupported innuendoes, Mr. Miller is carrying on the pattern of character assassination devised for him by the former counsel of the committee (Eugene Garey, who together with members of his staff, resigned last month).

"If Mr. Miller has any evidence that FCC men were responsible for any 'incident' as he hinted this morning, he should bring his case into the open," Mr. Fly declared.

"I can say further that neither Admiral Hooper's secret testimony nor that of any other official sets forth facts to substantiate such an irresponsible charge."

hms / PSF F.C.C. folder 2-44

THE WHITE HOUSE
WASHINGTON

April 3, 1944.

MEMORANDUM FOR

S.I.R.

To study this and tell me what you think I should do.

F.D.R.

Memorandum for the President from Hon. James Lawrence Fly, Chairman, FCC, 3/17/44, in re Navy's plan for unification of international communications. Copy of memorandum retained for our files.

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C.
(C O P Y)

March 17, 1944

MEMORANDUM TO THE PRESIDENT

I hand you herewith a copy of a complete news account of the Navy's plan for unification of international communications. This, as you know, is a matter which was referred by you for confidential study to the Inter-departmental Committee under the auspices of the Secretary of State. That Committee has been very sluggish and has not arrived at the point of having presented or discussing the various agencies' plans for the proposed unification. In view of the fact that the Senate Interstate Commerce Committee in the past few days has been authorized to investigate international communications, the timing of this particular publication seems a bit strategic.

It is awfully urgent that this matter move forward to prompt legislative decision and in that regard this publication may give the matter a helpful boost. I, too, have spoken in favor of the general idea of unification and have urged the various factual arguments at most every opportunity.

Viewed from another aspect, however, the publication of this plan (and I have good reason to believe it is accurate) is likely to embarrass and impede the administrative agencies of government in the effort to present a solid front. From here on out any position taken either by you or by any agency not in conformity with this plan will be embarrassed and weakened by being thrown into conflict with the Navy. Two or three points are of a crucial nature. For example, I definitely recall that you wanted serious consideration of government ownership or heavy government participation. This plan excludes any and all government participation in the ownership of the unified concern.

Another crucial point is involved here in setting up a government advisory body from the Navy, War, State, Commerce and Postoffice Departments; this group to have important advisory powers and perhaps a veto power. The Federal Communications Commission is studiously excluded from this group. Moreover, it is not at all clear that the existence of such group half way between management on the one hand and the regulatory body on the other, will not seriously hamper and embarrass at both ends of the line. It is difficult to divorce the management from the responsible management body of a private corporation, and it is just as difficult to divorce government officials from the government regulatory body in the field of regulation.

The publication accurately indicates what the "confidential" plan provides -- that the Federal Communications Commission will be stripped of its normal regulatory authority. Its customary job of authorizing new services in the establishment of new circuits and the abandonment of existing circuits, etc. is here eliminated. And, its interest reduced to questions of rates and "practices" which, presumably, it would endeavor to control in the face of decisions arrived at by the other and less interested government agencies.

I can well understand in the light of the great burdens upon you in these trying days, it may be wellnigh impossible for you to undertake to keep these agencies in line with appropriately determined administrative policy and procedure. The one job of maintaining a democratic form of government at a period when the military is necessarily in the ascendancy is itself a tremendous one. For my own part, I, of course, stand ready to follow such administrative policy as you may see fit to enunciate. In the meanwhile and in the absence of word from you, I shall guide my own statements and movements on this matter as considerately and as constructively as circumstances will permit.

Very sincerely yours

JAMES LAWRENCE FLY

James Lawrence Fly
Chairman

2 File 8-4-42 C.C. folder 2-44

REMINDER FOR THE PRESIDENT.

TO SPEAK TO ADMIRAL LEAHY ABOUT THIS.

Give the President this AM

PSF: Fed. Comm. Comm. Bx 149

PSF F.C.C. folder 2-44

June 22, 1944.

Dear Larry:

I have your two notes and, of course, I am greatly disappointed that you feel you should leave the Commission and yet, I can well understand the considerations.

I hope you will run in within the next ten days and see me about it.

In regard to Paul Porter it is, of course, necessary that he remain in his present position until after the election.

With all good wishes,

As ever yours,

FRANKLIN D. ROOSEVELT

Honorable James Lawrence Fly,
Chairman,
Federal Communications Commission,
Washington, D. C.

...IONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

ADDRESS ALL COMMUNICATIONS
TO THE SECRETARY

T. J. SLOWIE, SECRETARY

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C.

June 17, 1944

MEMORANDUM TO THE PRESIDENT — PERSONAL AND CONFIDENTIAL

FROM: James Lawrence Fly

RE: VACANCIES ON COMMISSION

As you know, there is presently a Democratic vacancy on the Commission for the term beginning July 1. It occurs to me that you may consider it well to fill this vacancy promptly. A new Chairman for the Commission should be either this new appointee or your other prospective appointee to take the vacancy I expect to leave.

Paul Porter has mentioned to me his desire to become a member of the Commission. Paul has a tremendous lot of qualities; in addition to that, the broadcasting industry would have to cease complaining that there has never been a member of the Commission with broadcasting experience. I think Paul will stand firm on matters of principle and will be a constructive additional force on the Commission. If you have in mind naming him later, you may want to consider the possibility of also naming him as Chairman.

By promptly filling the present vacancy, however, you will plug up a hole here and achieve a measure of security on continuity of policy. At the same time I would have an opportunity to observe the new member and consider his qualifications to take over the Chairmanship. In this way, by the end of the year you would be in a position to move either of the two ways on the Chairmanship without embarrassment. I should like to discuss this facet of the problem with you at the time we discuss my on situation.

James Lawrence Fly
Chairman



...IONERS

JAMES LAWRENCE FLY, CHAIRMAN
PAUL A. WALKER
NORMAN S. CASE
GEORGE HENRY PAYNE
T. A. M. CRAVEN
RAY C. WAKEFIELD
C. J. DURR

ADDRESS ALL COMMUNICATIONS
TO THE SECRETARY

T. J. SLOWIE, SECRETARY

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C.

June 17, 1944

PERSONAL AND ~~CONFIDENTIAL~~

Dear Mr. President

Come September 1st, I shall have been in Government service for a continuous period of fifteen years. For some time I have felt the need to move into private life. I am 46 years old and my personal responsibilities are substantial. Lessening retained income has made it impossible for me to meet current obligations. Conditions of family health have borne heavily on this point. Educational needs of the children are becoming greater and must be met. I have no present means of providing any substantial element of future security. My own general physical condition reflects the strain of five years in one of the world's most onerous jobs. No man ought to undertake to stay here more than five years.

It is difficult for me to come to say these things. I could have enjoyed no greater privilege than to work for you, and in some measure with you. The principles you have fought to achieve are the principles I have sought to aid in achieving. In public and in private it will continue to be my great privilege to support you at every turn and to give to your strong hand such added strength as can come from a hand of lesser strength. You have been a grand boss. Loyalty in your view is mutual. Without your loyalty I should have been lost in the swirl of the deadly winds of conflict. That you maintained confidence in me in the most persistent and trying circumstances will ever be a source of comfort to me. My reluctance to take the suggested step stems both from a deep personal regard for you and the fear that in small measure I might by staying make further contribution to the cause.

At this moment international communications present the one most significant problem to the United States and the peoples of the world. Here I feel I have succeeded in enunciating and promoting to some degree both the principles at stake and the mechanics to achieve them. It would be a real pleasure to continue work on this problem, to assist you in any possible way, with the ultimate hope in mind of carrying some of your books and papers on this subject at the peace conference. This I should endeavor to undertake without regard to any private employment or commitment. I have assumed, of course, that you have had no more significant assignment in mind for me.

FOR DEFENSE
BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

This letter is confidential and purely personal as between you and me. This is not a resignation - a formal letter of resignation can be forwarded at an appropriate time and after I have had the benefit of your own views both on matters of substance and of timing. I wonder if we cannot discuss this whole problem at an early date.

Affectionately yours

James Lawrence Fly
Chairman

The President
The White House

Published in the Pearl Harbor hearings,

Part 18, pp. 3305-3306.

PSP

F.C.C. Foreign 2-44

Secret

File

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

August 22, 1944

Dear Mr. President

Attached is a copy of a document we have prepared for the JAG's Office for presentation to the Court of Inquiry on Pearl Harbor. I believe you will be interested in glancing at this material.

Very sincerely yours

James Lawrence Fly
Chairman

Attachment

The President
The White House

UNITED STATES OF AMERICA

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C., August 18, 1944

I hereby certify that the attached are true copies of documents described as follows:

Document No. 1 is a true copy of the weather messages which Major Wesley T. Guest (now Colonel), U.S. Army Signal Corps, requested the Commission's monitors to be on the lookout for in Tokyo broadcasts and to advise Colonel Bratton, Army Military Intelligence, if any such message was intercepted. This request was made on November 28, 1941 at approximately 2140 GMT.

Document No. 2 is a true copy of a weather message from Tokyo station JVW3, intercepted by Commission monitors at approximately 2200 GMT, December 4, 1941, which at 9:05 p.m. EST, December 4, 1941, having been unable to contact Colonel Bratton's office, was telephoned to Lieutenant Brotherhood, 20-G, Watch Officer, Navy Department, who stated that he was authorized to accept messages of interest to Colonel Bratton's office.

Document No. 3 is a true copy of a weather message from Tokyo station JVW3, intercepted by Commission monitors at 2150 GMT, December 5, 1941, which was telephoned to Colonel Bratton at his residence at 7:50 p.m. EST, December 5, 1941.

Document No. 4 is a true copy of two weather messages intercepted by Commission monitors from Tokyo stations JAG 4 and JAJ between 0002 and 0026 GMT, December 8, 1941, and telephoned to Lt. Colonel C.G. Dusenbury, U.S. Army Service Corps, at the request of Colonel Bratton's office at approximately 8 p.m. EST, December 7, 1941. Document No. 4 also contains the Romaji version of these messages.

on file in this Commission, and that I am the proper custodian of the same.

IN WITNESS WHEREOF, I have hereunto set my hand, and caused the seal of the Federal Communications Commission to be affixed, this twenty-first day of August, 1944.

T. J. Slowie
Secretary

[redacted]

DOCUMENT NO. 1

GROUP ONE IS EAST WIND RAIN

GROUP TWO IS NORTH WIND CLOUDY AND

GROUP THREE IS WEST WIND CLEAR STOP

GROUPS REPEATED TWICE IN MIDDLE AND AT END OF BROADCAST

The above are the weather messages Major Wesley T. Guest requested the Commission to monitor on November 28, 1941

SECRET

DOCUMENT NO. 2

TOKYO TODAY NORTH WIND SLIGHTLY STRONGER MAY BECOME CLOUDY TONIGHT TOMORROW SLIGHTLY CLOUDY AND FINE WEATHER

KANAGAWA PREFECTURE TODAY NORTH WIND CLOUDY FROM AFTERNOON MORE CLOUDS

CHIBA PREFECTURE TODAY NORTH WIND CLEAR MAY BECOME SLIGHTLY CLOUDY OCEAN SURFACE CALM

Weather message from Tokyo station JVW3 transmitted at approximately 2200 GMT, December 4, 1941.

[redacted]

DOCUMENT NO. 8

TODAY NORTH WIND MORNING CLOUDY AFTERNOON CLEAR BEGIN CLOUDY EVENING. TOMORROW NORTH WIND AND LATER FROM SOUTH. (repeated 8 times

Weather message from Tokyo station JVW8 transmitted at approximately 2130 gmt December 5, 1941.

DOCUMENT NO. 4

English	Romaji
THIS IS IN THE MIDDLE OF THE NEWS	NYUSU NO TOCHU DE GOZAIMASU GA
BUT TODAY, SPECIALLY AT THIS POINT	HONJITSU WA TOKU NI KOKO DE
I WILL GIVE THE WEATHER FORECAST:	TENKI YOHO WO MOSHIAGE MASU
WEST WIND, CLEAR	NISHI NO KAZE HARE
WEST WIND ,CLEAR	NISHI NO KAZE HARE
THIS IS IN THE MIDDLE OF THE NEWS	NYUSU NO TOCHU DE GOZAIMASU GA
BUT TODAY, AT THIS POINT SPECIALLY	KYO WA KOKO DE TOKU NI
I WILL GIVE THE WEATHER FORECAST:	TENKI YOHO WO MOSHIAGE MASU
WEST WIND, CLEAR	NISHI NO KAZE HARE
WEST WIND, CLEAR	NISHI NO KAZE HARE

Above are the two weather messages from Tokyo stations JLG4 and JLJ transmitted by them between 0002 and 0035 GMT December 8, 1941.