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COMMUNIST THREAT TO THE UNITED STATES
THROUGH THE CARIBBEAN

HEARINGS

BEFORE THE

SUBCOMMITTEE TO INVESTIGATE THE
ADMINISTRATION OF THE INTERNAL SECURITY
ACT AND OTHER INTERNAL SECURITY LAWS

OF THE

COMMITTEE ON THE JUDICIARY

UNITED STATES SENATE

EIGHTY-SIXTH CONGRESS

SECOND SESSION

PART 10

Testimony of William D. Pawley

SEPTEMBER 2 AND 8, 1960

Printed for the use of the Committee on the Judiciary



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II

APPROVAL OF RELEASE OF EXECUTIVE SESSION
TESTIMONY

DECEMBER 20, 1960.

I certify that the witness William D. Pawley has approved the release for publication of his testimony given in executive session before the Internal Security Subcommittee and that the release and publication of such testimony has been unanimously authorized by the subcommittee.

J. G. SOURWINE, *Chief Counsel*.

III

THE COMMUNIST THREAT TO THE UNITED STATES THROUGH THE CARIBBEAN

FRIDAY, SEPTEMBER 2, 1960

U.S. SENATE,
SUBCOMMITTEE TO INVESTIGATE THE
ADMINISTRATION OF THE INTERNAL SECURITY ACT
AND OTHER INTERNAL SECURITY LAWS, OF THE
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:35 a.m., in room 2300, New Senate Office Building, Senator John L. McClellan, presiding.

Present: Senators McClellan, Hruska, and Keating.

Also present: J. G. Sourwine, chief counsel; Benjamin Mandel, research director; Frank Schroeder, chief investigator, and William McManus, research assistant.

Senator McCLELLAN. The committee will come to order.

Mr. Counsel, make a brief statement of the nature and purpose of your hearing.

Mr. SOURWINE. Yes, Mr. Chairman.

The committee has been conducting hearings into the general subject of the threat to the security of the United States through the Caribbean. In connection with this, the committee has taken a substantial amount of testimony on the situation in Cuba and the intent of the Communist conspiracy with regard to the use of Cuba as a bridgehead against the United States and the rest of the Western Hemisphere.

Mr. Pawley is the witness this morning. May the record show that he appears in response to a subpoena. He is a man of very substantial experience in Latin America, has been Ambassador to two of the countries in Latin America and is believed to have information which would be helpful to the committee along this line.

Senator McCLELLAN. Very well.

The present occupant of the chair is serving in this capacity today at the request of Senator Eastland, chairman of the committee.

Who is your first witness?

Mr. SOURWINE. Mr. William D. Pawley, sir.

Senator McCLELLAN. Mr. Pawley, will you be sworn, please, sir.

You do solemnly swear the evidence you shall give before this Senate Select Committee in the pending inquiry shall be the truth, the whole truth and nothing but the truth, so help you God.

Mr. PAWLEY. I do.

Senator McCLELLAN. Thank you and be seated.

All right, Mr. Ambassador, if you will identify yourself for the record, please.

TESTIMONY OF WILLIAM D. PAWLEY

Mr. PAWLEY. My name is William D. Pawley. I am a resident of Miami, Fla. I have here a brief résumé of my activities since 1945. (The document referred to is as follows:)

1945: Ambassador to Peru.
 1946-47: Ambassador to Brazil.
 September 20, 1947 to March 15, 1948: On leave in Miami and Washington.
 March 15, 1948: Returned to Brazil for 2 weeks, to take leave of post there, having resigned as Ambassador.
 April 1948: Bogotá Conference.
 May through July 1948: Washington.
 August, September 1948: Sailed to Europe for vacation trip, during which visited Spain and negotiated bases. Returned to Paris where U.N. General Assembly in progress. Marshall asked me to assist him, but first I returned to Washington, then to Miami to settle union dispute, then flew back to Paris.
 November 1948: Paris, U.N. General Assembly (for 5 weeks).
 December 1948: Washington.
 Early 1949, as I remember, was spent between Washington, Virginia, and Miami.
 September 1949: Havana to negotiate with union, interventor and Government re taking over trolley company.
 October through December 1949: Washington, Miami, and elsewhere.
 January 1950 through February 1, 1951: Havana Autobuses Modernos.
 Korea started in June 1950, and was in Washington in December, when I had talks with Jessup, Marshall and President Truman re China.
 February 4, 1951: Miami for Annie Hahr's wedding.
 February 19, 1951: Entered State Department as special assistant to Acheson.
 June, July 1951: India re wheat and monazite (accompanied by my assistant Lansing Collins)—returned to United States by way of Far East. Walter McCaughy was in Taiwan.
 August 1951: Washington.
 September 1951: Clifton died, I went to Mexico then Miami and remained there for several weeks.
 November 20, 1951: Resigned from State to take effect November 30, 1951.
 December 3, 1951: Entered Defense Department as special assistant to Lovett.
 January 17, 1952: Sailed on the *America* to Europe (with Edna, Anita, and my assistant Ed Harris).
 January through May 4: Paris. Made two trips back to Washington. One was immediately prior to the Lisbon NATO conference. Flew to Washington, then to Miami to settle strike, then back to Washington to board Lovett's plane for Lisbon. The other trip to Washington was a 2-week trip for consultation in the Department (Edna and Anita went to Italy).
 May 1952: Resign as assistant to Lovett.
 June through September 1952: Farm in Virginia.
 September 1952: Edna and I to Europe and Middle East. For several months?
 1953: Spent mostly in Miami.
 1954: Three separate tours of duty in State Department (April, July, and September, I believe). This was the Guatemala problem.
 Nothing official since then (that is no assignments in the Department).

Mr. SOURWINE. Where were you born, Mr. Pawley?

Mr. PAWLEY. Florence, S.C.

Senator McCLELLAN. I had in mind for you to give a little résumé of your official positions you have held.

Mr. PAWLEY. Well, I might, for clarification go back a little further than that.

As an American businessman I had business interests in Cuba, having formed the first Cuban National Airline which is still the only national airline in Cuba.

Mr. SOURWINE. Compania Cubana Nacional de Aviacion?

Mr. PAWLEY. When we sold that to Pan American Airways I went to China as president of China National Aviation Corp., and when

that was sold to Pan American Airways, I built three aircraft factories for the Chinese Government during their war with Japan.

Senator McCLELLAN. Three aircraft factories in China?

Mr. PAWLEY. Factories in China. Each one as being destroyed, another one had to be built in a different locality, and that required the building of three.

Senator McCLELLAN. Were they actually production or assembly plants?

Mr. PAWLEY. No, production.

When the third was destroyed, the Viceroy of India invited me to build an aircraft factory for them in India and I went there and spent 4 years and built an aircraft factory that became the principal maintenance and overhaul base for the China-India-Burma theater during the war.

I returned to the United States in 1945, and because of many years' experience in Latin America, having gone there at the age of 4 with my parents and having been there, in and out, all my life, and knowing the language probably as well as I know English, President Truman thought and so did the Secretary of State that I might be useful as an Ambassador to Peru because we had a very serious problem of an unpaid debt of \$150 million and Peru had come into the war on our side as the first nation in Latin America.

They were very anxious that this debt be put on some workable basis that would then enable the United States to give some assistance to Peru. And I was selected as Ambassador for that job and I was successful in doing what I was sent to do.

As a result of that, the President and the Secretary of State thought that I might be sent somewhere else, where problems might be equally as great.

As Spruille Braden was being brought back to the United States from the Argentine to be Assistant Secretary of State, the President offered me my choice between Brazil and Argentina, both posts would be open as of the same date.

Adolph Berle was Ambassador to Brazil and he was coming out at the same time that Spruille Braden was coming out. I chose the Argentine because I thought the threat to the United States there was greater than it was in Brazil because we had been on magnificent terms with the Brazilian Government people for more than 100 years and there was no reason to expect any serious problems there.

But I had not been in sympathy with Spruille Braden's policies in the Argentine while I was in Peru and I thought that a different approach was needed, and I was told by the President and the Secretary of State that I would be sent there. But when Spruille Braden came to Washington as Assistant Secretary he vetoed that, and I was told by him on the telephone that the President wanted me to take the post in Brazil.

Of course, I did.

Fortunately for the United States they selected George Messersmith as the Ambassador for the Argentine. Ambassador Messersmith and I had been friends for many years. I had great confidence in his ability and his integrity and his loyalty, and I thought he would do a great job, and I think he was doing a great job. But Spruille Braden became involved in a program which appeared to be helpful to the Communist Party in Latin America.

Senator McCLELLAN. Appeared to be helpful?

Mr. PAWLEY. Helpful to the Communist Party of Latin America as well as those operating in the United States, and a document reported to have been prepared by an undercover agent for G-2 reached my hands from the man who prepared it, and I took this document to the Chief of Staff Eisenhower.

Mr. SOURWINE. Would you explain the nature of the document, Mr. Pawley?

Mr. PAWLEY. The document—I have a copy of it should this committee like it—went on to point out the number of agents that came from Latin America into the United States and were able to reach Europe with Braden's assistance and coming the other way. Many meetings with a man by the name of George Michanowsky who was reported to be not only a Communist but a man who headed the Latin American division of CIO, and was connected with the Political Action Committee of the CIO prior to the CIO cleaning out communism.

Senator McCLELLAN. And he was in what position down there?

Mr. PAWLEY. Who, Michanowsky?

Senator McCLELLAN. Yes.

Mr. PAWLEY. He was working in CIO as the head of the CIO Latin American Division.

Senator McCLELLAN. Not for the Government?

Mr. PAWLEY. No.

Senator McCLELLAN. But for labor?

Mr. PAWLEY. Yes.

Senator McCLELLAN. I get it.

Mr. PAWLEY. And he made arrangements with Braden to place a secretary in Braden's employ by the name of Gustav Duran, who is very well known to the Senate, there is lots on record in the Senate records on Gustav Duran.

Mr. SOURWINE. If I may interpose for just a moment, do you happen to know where he is now, what he is doing?

Mr. PAWLEY. I don't know what he is doing, but I attended a luncheon in New York recently at which Rubottom spoke and Michanowsky was in the audience, which greatly surprised me.

Braden was also at the head table.

This document was of a nature that frightened me sufficiently to justify my taking it to the then Attorney General, Tom Clark, and while I was there he brought in Mr. Hoover who went over this paper and asked that he be allowed to keep it overnight, and the next morning (I was staying at the Mayflower Hotel) I got a call from the Attorney General saying the President wanted me to come in as quickly as possible.

When I got there I found that the Attorney General was in the President's office and when he came out he handed me the document that I had given them the night before and said he had not shown it to the President but had told him the details, and I went in and the President said, "I understand you have a paper for me" and I gave it to him. And on the strength of the President having this paper examined, Braden was fired several weeks later.

Unfortunately Spruille Braden having to be fired for reasons that I am not sufficiently positive of and as I am under oath, I cannot testify to this, George Messersmith was fired on the exact same day

and we heard that it was a sop to the CIO that Spruille be fired only on the condition that Messersmith be removed from his post.

I was in the President's office when the decision to fire him—Messersmith—was made, and I argued with the President that I thought it was a mistake.

Senator McCLELLAN. Why was he firing Braden? I don't quite get the connection.

Mr. PAWLEY. He fired Braden because his activities with reference to these Communists was so apparent in this document.

Senator McCLELLAN. So friendly with them?

Mr. PAWLEY. Yes, and had assisted them. Now Braden today is making a terrific anti-Communist fight in New York through various organizations with which he is connected.

Senator McCLELLAN. You think he has had a change of heart on it?

Mr. PAWLEY. I hope so.

Mr. SOURWINE. You never regarded him as a Communist, did you?

Mr. PAWLEY. I do not.

Senator McCLELLAN. You think he was misled or something in connection with the document that you are referring to?

Mr. PAWLEY. Spruille Braden was a very ambitious man in my opinion, and the promise that was made to him, and this has been sufficiently documented to be accurate, that if he would cooperate he would be made Ambassador to Argentina which was quite a good jump from Cuba, that he would be made Assistant Secretary of State, and as Assistant Secretary of State that they would use whatever influence they had—they claim they had 8 million votes and could help him, that is the CIO—they would hope to make him Under Secretary of State and he did reach the assistant secretaryship through that process.

Now during that time, and you could check this, Senator, with Senators who are still here, many efforts were made to get Braden and Gustavo Duran out before that actually happened. Meetings were held at the Blair House or Blair-Lee House, with certain Senators, one of whom is now dead, Vandenberg, who participated in it, in trying to get these two men out.

I understand this, and I cannot swear this to be true, that Gustavo Duran when Braden found he had to go, got him a job at the United Nations and his first job was clearing DP's into the United Nations. I don't know where he is today because this hasn't been something that I have had any reason to follow up on.

Senator McCLELLAN. Braden?

Mr. PAWLEY. No, I mean Gustavo Duran. I spoke of Braden getting Duran a job at the U.N.

Mr. SOURWINE. I might state though I can't testify to the truth of this, that our information is that Gustavo Duran is today at the United Nations.

Mr. PAWLEY. If that is so then it is an extremely bad situation.

Senator McCLELLAN. You are convinced he is a Communist?

Mr. PAWLEY. I am just as convinced as can be without having seen his card.

Mr. SOURWINE. Mr. Chairman, I think the document Mr. Pawley has offered to furnish for the committee would be of extreme value to this committee.

Mr. PAWLEY. The FBI has it but I would be glad to supply it if you wish it.

Senator McCLELLAN. I would suggest this, you confer with Chairman Eastland and if Chairman Eastland thinks the document should be received by this committee, let him so advise Mr. Pawley and Mr. Pawley then will supply it. At this time, I don't know enough about it to order it done but confer with the chairman of the committee, Senator Eastland, and if he thinks the document should be received by the committee rather than just to comment on its contents, then it can be filed as a part of the record.

Mr. SOURWINE. Very good, sir.

(The document referred to is as follows:)

MEMORANDUM

MARCH 5, 1947.

Following is a summary of unpublicized events affecting U.S. foreign policy in Latin America between January 1, 1945, and March 5, 1947.

January 1945: George Michanowsky, Russian-born naturalized citizen of the United States, appointed executive secretary, Latin American Affairs committee, Congress of Industrial Organizations. (Jacob S. Potofsky, successor to the late Sidney Hillman as president of the Amalgamated Clothing Workers, CIO, was chairman of the committee, with offices at 15 Union Square, New York City. Phone is ALgonquin 5-6500.)

February-May 1945: Michanowsky began a clever, adroit public relations campaign to increase the stature of Spruille Braden, Ambassador to Cuba. Michanowsky freely predicted that Braden would be sent to Argentina as U.S. Ambassador. Using his contacts with representatives of the Associated Press, the New York Times, the New York Herald Tribune, Time and Life magazines, Michanowsky created the impression that the CIO was backing Braden first for the Ambassador's job in Argentina, then for a bigger assignment. Michanowsky corresponded frequently with Braden and exhibited on a confidential basis, copies of his own letters and Braden's replies thereto.

June 1945: Braden appointed U.S. Ambassador to Argentina. Michanowsky began an immediate campaign to gain for Braden the job of Assistant Secretary of State for American Republic Affairs. June 16, 1945, the AP carried a story out of New York City describing "behind the scenes maneuvering in the U.S. State Department foreshadowing an almost immediate policy change toward Argentina. Stiffening of policies toward Argentina are expected to materialize." the AP said, "shortly after President Truman and Secretary Byrnes return from Potsdam." Prophetically, the AP predicted "events transpiring between today and Truman's return from Europe will determine whether Braden will be recalled to Washington for promotion to become one of the most powerful influences on Latin American policy." Quoting a source it did not identify, the AP reported that Braden conferred at a White House luncheon with President Truman and Secretary Byrnes during the San Francisco conference. There are indications that Braden might return to the State Department. Braden took with him to Argentina the support of the CIO, which, a spokesman said, considers him one of the ablest diplomats in the State Department. This spokesman said the CIO maintains a friendly relationship with Braden.

"It was learned on good authority," the AP story reported, "that the CIO is waging an intensive campaign to increase Braden's stature and influence on Latin American foreign policy." The author of the above article was Milt Dean Hill, and the source of his information was Michanowsky.

July 1945: Michanowsky cemented his contacts with representatives of the New York City press, particularly the AP with its wireless service to Latin America. Mid-July 1945 he displayed a letter from Dean Acheson, Under Secretary of State (then Assistant Secretary), expressing thanks for CIO support for Braden in Argentina. This was Michanowsky's first letter from Acheson on Argentine policy.

August 1945: August 7, Michanowsky displayed further correspondence from Acheson indicating that Nelson A. Rockefeller would be removed as Assistant Secretary of State for Latin America. August 31, Acheson wrote Michanowsky that Braden would be appointed to Rockefeller's job "in October this year." Michanowsky protected his contact at the AP with the information, on which

a story was based, forecasting Braden's appointment. Later, Michanowsky said the nomination would be made by President Truman October 22. At this time, he wrote Acheson and Secretary of State Byrnes urging that Braden be promoted, intimating clearly in a letter dated August 31, that "the 6,000,000 voters of the CIO" heartily approved the proposed appointment.

September 1945: After Rockefeller's summary dismissal from the Department of State, Michanowsky intensified his campaign for Braden's promotion. During this time, he was in contact with Braden in Argentina by mail and cable, keeping the latter informed of his progress.

October 1945: October 22, President Truman nominated Braden to be Assistant Secretary of State. The nomination was delayed for approximately six weeks in the Senate Foreign Relations Committee.

November 1945: Michanowsky's AP contact was transferred to the AP's Washington bureau. In a conference with Michanowsky, he was advised to contact "Gustavo Duran, the former Spanish Communist." Duran, Michanowsky said, "is an ambitious young man. He is looking for friends." Michanowsky offered to inform Braden of his contact's "cooperation" in New York and established channels of information direct from the Assistant Secretary.

December 1945: Pressure was increasing for the appointment of a U.S. Ambassador to Argentina. During a visit to Washington for conferences with Braden, Michanowsky advised his newspaper contact that two men were under consideration, one Lt. Gen. Matthew B. Ridgway; the other, Ambassador George S. Messersmith in Mexico City.

December 1945: Michanowsky brought four Argentine labor officials to Washington for conferences with Braden and Duran. The four were: Ruben Iscaro, a known Anarchist; Julio Falasco and Juan Cabrera, two members of the Argentine Communist Party; and Francisco Perez-Leiros, a member of the Argentine Socialist Party. These were the same four men Braden had aided in escaping from Argentina in July 1945, after receiving a cabled request to do so from Michanowsky. Michanowsky desired that the four go to Paris for sessions of the World Federation of Trade Unions (WFTU). After their arrival in New York, on priority passage secured for them on Pan American Airways by Braden, the four publicly thanked Ambassador Braden for getting them out of Argentina, during remarks made at a luncheon in their honor at the Roosevelt Hotel, New York City. The luncheon was sponsored jointly by the Council for Pan American Democracy, 23 West 23d Street, a Communist-front organization headed by Frederick V. Field, a Daily Worker columnist, and the joint CIO Council of New York City. Returning to Argentina, they stopped in Washington to confer with Braden, Duran, and Michanowsky. The conference took place on approximately December 15 and lasted four hours. After the conference in Braden's State Department office, the labor officials adjourned to their hotel, Room 610, Hotel Continental, where they met Duran at 6 p.m. Michanowsky left the conference at 9:45 to catch a 10:00 p.m. train to New York. At that time, Duran still was in the room.

January 1946: Michanowsky returned to Washington in mid-January for conferences on the CIO's "White Book" on Argentina. This was published January 26, less than three weeks before a similar volume, called the "Blue Book" was published by the Department of State. Proofs of the CIO's book were in Braden's hands by January 15, 1945, for his approval.

February 1946: February 1, Michanowsky informed his contact by telephone that the Department of State had chosen February 12 to release its "Blue Book" on Argentina, two weeks before the Argentine presidential elections. February 12, the Department of State released its "Blue Book" on Argentina, two weeks before the Argentine presidential elections.

March 1946: March 30, on one of his monthly visits in Washington for conferences with Braden, Michanowsky informed his contact that a momentous story would be forthcoming shortly. He declined to reveal the nature of the story.

April 1946: April 7, on another of his trips to Washington, Michanowsky disclosed that Braden had informed him of a letter written to General of the Army Eisenhower by General Carlos von der Becke of Argentina. Michanowsky said von der Becke suggested that he come to Washington to see what could be done toward settling the U.S.-Argentine political differences. He proposed to come in June, Michanowsky reported. Braden, he said, was unalterably opposed to this, and had asked Eisenhower not to answer the letter.

A check of the Argentine Embassy revealed that Luis S. Luti, Charge d'Affaires was unaware of the Von der Becke letter. Luti was a close personal friend of

Von der Becke's. He said confidentially he doubted that it were true. April 14, Pan American Day, General Eisenhower himself confirmed that he had received the Von der Becke letter during a private conversation with Michanowsky's contact at the Hotel Mayflower. April 15, less than half a dozen top-ranking intelligence officers knew of the Von der Becke communication, although its presence in the War Department at that time was definitely confirmed, almost exactly as Michanowsky had described it. Because it would have jeopardized the best interests of the country, Michanowsky's contact did not use the story at that time.

May 1946: Michanowsky, after conferences with Braden, said a new ambassador to Argentina would be appointed soon. No individual had been selected definitely.

June 1946: June 3, 1946, at 10 a.m. Michanowsky's contact received an urgent telephone call from New York. Michanowsky said a meeting had been completed in the State Department at 9:45 and it was decided to send Ambassador Messersmith to Argentina and Ambassador William D. Pawley from Lima, Peru, to Rio de Janeiro, Brazil. Michanowsky's contact immediately talked with Gustavo Duran by telephone. Duran said, in reply to a question, that no final decision had been made. Under further questioning, however, Duran admitted that if the correspondent were to speculate that Messersmith and Pawley were being transferred to Argentina and Brazil, his speculation would be "completely accurate." Another State Department official confirmed the meeting and the appointment to another AP reporter. The story was published. Within an hour, the AP bureau in Washington received an urgent message from Mexico City asking an "immediate recheck" of the Messersmith story. Highest embassy sources, the message said (meaning the Ambassador himself), believed the story to be inaccurate. The AP checked the story with Secretary Byrnes, who advised that the story "not be withdrawn." Four days later, President Truman confirmed the story Michanowsky had leaked to his contact before either Messersmith or Pawley were informed.

July-August-September: Michanowsky continually kept his contact advised of Braden's moves, along with those of Acheson, in blocking the efforts of the June mission of General Von der Becke. By telephone, he said that Braden had prevented the issuance of a U.S. visa to Von der Becke, despite the fact that the State Department was fully informed on General Eisenhower's role in the situation. Again by telephone, Michanowsky asked his contact to trace a "colonel named Pabst," in the War Department. (Lt. Col. Gustave Pabst, Jr., had been chief of Latin American Foreign Liaison for General Marshall in the War Department for four years. He had disagreed privately with Braden's handling of policy and had left Washington on terminal leave shortly before. Four State Department protests against Pabst's War Department activity were received by the War Department, one signed by Braden, three signed by Acheson.)

Pabst at the time had returned to his Milwaukee, Wisconsin, home. Michanowsky said Braden had been unable to trace Pabst by using the "regular channels" and had asked Michanowsky to locate him. He gave no reason for wanting Pabst traced.

September 1945: Michanowsky called Washington with a tip that Gustavo Duran, Braden's right-hand aide, was resigning effective October 4, to accept a job Braden secured for him in Refugee Organizations of the United Nations.

October 1946: October 4, Gustavo Duran, former Lt. Col. in the Spanish Republican Army, accused on the floor of Congress as an ex-agent for the NKVD, resigned to accept a post with Refugee Organizations, United Nations.

November 1946: Immediately following the Republican landslide in the elections, Michanowsky informed his contact that it was necessary for him to "go underground." Officially, he resigned his position as Executive Secretary of the CIO Committee on Latin American Affairs. Actually, he retains absolute control of the committee, and continues his relationship with Braden. Prior to his resignation, Michanowsky tipped his contact that a "big story" involving Hugh Fulton, and Andrew J. Higgins, would be breaking shortly. November 28, the Washington Post (given the text of Higgins letters to government officials by Braden) published the story of Higgins attempts to smooth relations with Argentina.

January 1947: Shortly after Secretary Byrnes was succeeded by General Marshall, Lt. Col. Pabst was mentioned prominently for a possible Latin American assignment under Marshall. The story hinted clearly that Pabst might be Marshall's choice to succeed Braden. This story, written by the AP based on information it received from sources in the War Department, appeared in Milwaukee, New York, and Latin America. Within a few days, an attempt was made to

enter Pabst's Washington home at 1915 23rd Street NW. Two subsequent attempts have been made on Pabst's home. Late in January, Pabst received a scrawled, anonymous threatening letter. The letter said if the Colonel thought he and General Marshall could straighten out the situation in Latin America, they would be badly mistaken. The Federal Bureau of Investigation immediately advised Pabst, a former career diplomat in the State Department, to keep a loaded weapon in his home at all times. Pabst has been supported by the War Department and by prominent Senators and Representatives as a possible successor to Braden, when Braden leaves the Department of State.

Conclusion: Michanowsky has had at all times, day or night, immediate access to Braden. As such, Michanowsky proved to be invaluable as a source of information.

He specifically provided advance information on virtually every major policy decision on Latin America that was made between October 22, 1945, and the present date. During that period Michanowsky visited Washington at least once a month. Each time, he conferred personally with both Braden and Acheson. Correspondence from both State Department officials to Michanowsky saluted him as "Dear George." For a period of months immediately before the selection of an ambassador to Argentina, Michanowsky talked with Braden daily by telephone from New York City.

Through Braden, he was enabled to secure Pan American Airways priorities for the four Argentine labor leaders to Paris at a time when waiting lists included hundreds of names.

Michanowsky always took pains to make it clear that he and his committee represented some 6,000,000 votes of CIO union members. Nonetheless he was carefully consulted and informed in advance of every major policy move having to do with Argentina.

WAR DEPARTMENT BACKGROUND

In November 1945, Maj. Gen. Clayton Bissell, G-2 of the Army's intelligence department, visited Latin America. Prior to his departure, he sought and obtained Braden's permission to visit Argentina. Mid-November, in La Paz, Bolivia, Bissell received urgent secret cables from Braden saying it was now considered inadvisable for Bissell to visit Argentina at all. This occurred after Bissell had notified the Argentine Government that he was due in Buenos Aires. On arrival in Santiago, Bissell protested volubly and with the help of Ambassador Claude Bowers, received reluctant permission from Braden to go to Argentina.

Since October 1945, when Braden became Assistant Secretary of State, the War Department has been prevented from showing Argentine military and air attachés usual routine courtesies.

1. On orders from the State Department, Argentina was given no publications, unclassified or restricted, on any military subject. (All other Latin American countries, including the Dominican Republic, Nicaragua, and other strong-arm governments).

2. Argentina was prevented from sending army or navy officers to U.S. service schools. (Every other Latin American nation had officers studying in this country's military schools.)

3. Braden personally prevented the War Department from sending spare parts to Argentina, despite the fact that the parts were to be used for American planes, owned by Argentina but used by the U.S. Air Mission in Buenos Aires.

The State Department did, however, permit some 15 Wright Whirlwind engines to be sent to Argentina by Britain for use in Sunderland flying boats. The Wright engines were sent to Britain under lend-lease.

Admiral William F. Halsey was prevented from visiting Argentina during his South American trip last autumn. Halsey was ordered not to go to Buenos Aires by Dean Acheson and Braden during the time that he was in Rio de Janeiro, Brazil.

Gen. H. H. Arnold, former Air Force chief, carried a directive from the White House when he flew to Latin America last year before his retirement. Arnold had been authorized to arrange for the delivery of certain air equipment to Colombia, Peru, and Chile. Colombia's key position in the defense of the Panama Canal made it vital that he accomplish this quickly. Arnold suffered a heart attack in Lima, Peru, but had accomplished his mission in Colombia and Peru. Less than a week after General Arnold's return to the United States, Braden dispatched cables vitiating the agreements Arnold had reached.

In April 1946, at a Blair House luncheon attended by both Acheson and Braden, Acheson asked General Eisenhower to make an attempt to straighten

out the Argentine situation. This followed a policy statement April 8 by Secretary Byrnes, who had previously conferred with members of the Foreign Relations Committee also at Blair House. Eisenhower immediately called in Col. Arturo Bertollo, Argentine military attaché. Bertollo sent a special courier to Buenos Aires with the information he had received from Eisenhower. Von der Becke's letter to Eisenhower followed in a matter of hours. (It was shortly after this that Michanowsky informed his contact of the entire situation.)

After Von der Becke's arrival, Braden called in his State Department correspondent friends and let them know off the record that General Eisenhower's "interference" in the U.S. foreign policy toward Argentina was resented. Eisenhower refrained from commenting on that.

After Von der Becke's arrival in Miami, Fla., Braden ordered Ambassador William Pawley not to see the general, although Pawley had known Von der Becke for years.

Early this year, Argentina again informally invited comment on the possibility of sending a number of army officers to school in this country. The War Department referred the request to the State Department. The State Department again called in newspapermen and said vehemently that no Argentine military officers would be permitted here. The War Department has received no reply to its letter on the subject.

Late in 1946, Argentina submitted a routine request for samples of U.S. Army uniforms. The Argentines indicated clearly that they desired to outfit their army in uniforms resembling those of the United States—after wearing German patterns for years. The War Department prepared a box of the requested uniforms. The State Department learned of the plan, and Braden personally objected to Secretary of War Robert Patterson.

In February 1947, Argentina issued a formal invitation to the United States to send 15 West Point cadets to Argentina to study staff organization and military matters. The State Department again blocked the move.

Conclusion: Every effort made by the War Department to ease the 5-year tension between the United States and Argentina has been blocked, invariably by Braden or Under Secretary Dean Acheson.

One of Braden's strongest contacts in Latin America is Licente Lombardo Toledano, pro-Communist president of the CTAL (Confederacion Trabajadores Americana Latina) (Latin American Confederation of Workers.) Returning from Moscow last December 1946, Lombardo Toledano came to Washington for the express purpose of conferring with Braden. Approximately December 23, Lombardo spent 2½ hours with Braden in the latter's State Department office. Lombardo is the notoriously anti-United States, pro-Russian labor leader whose New York City connection is with Michanowsky of the CIO. Returning from a previous trip to Europe in 1945, Lombardo Toledano contacted the following persons, in this order: (1) A representative of the British Secret Service; (2) the Russian consul-general; (3) Michanowsky; (4) Braden and Duran.

Wednesday night, February 18, Braden boasted to a member of Congress at the Army-Navy Club that he personally is blocking State Department introduction of the plan to standardize military equipment and training of the armed forces of the Western Hemisphere.

The February 15 issue of the Saturday Evening Post, in an editorial, commented: "A few weeks ago, we asked a man who has made Latin America and our interests in that area his specialty this question: 'Is our policy of needling Argentina inspired by interests outside America which want to defeat the mutual-aid pact—a continuation, perhaps, of Molotov's maneuver at San Francisco, to break up solidarity by attempting to exclude Argentina from the United Nations?' Our expert thought a minute, then replied, 'Whatever the conscious or unconscious motives of the needlers, the policy benefits nobody but those who wish to thwart the unity of the Americas.' The times are too far out of joint to permit more pique toward the shortcomings of Argentina [to] veto the perfection of our good neighbor policy, which is now so important to American defense."

In his column syndicated by the New York Herald Tribune, February 12, Sumner Welles concluded: "Those members of the Foreign Relations and Foreign Affairs Committees who see the imperative need for the prompt restoration of hemispheric unity; and for the conclusion without delay of the hemispheric treaty of defense—which still is blocked because of the recent policies of the State Department—would perform a national service if they investigated every aspect of this situation in order to ascertain with entire precision who the individuals

and influences may be that are responsible for a campaign which jeopardizes the highest interests of this country and of all the Americas." (References: Speech by Senator Kenneth S. Wherry, Nebraska Republican, July 1946, pp. 10669–10680, Congressional Record (this includes Michanowsky letter to Secretary of State James F. Byrnes) "Argentina, The War Stage," by Richard Pattee, Notre Dame University Press, October 1946.)

Mr. PAWLEY. To finish that little episode having to do with my going to Argentina instead of Brazil and Braden coming to the Assistant Secretaryship, a funny thing occurred: I had been in business in Asia for many years as I said earlier, and I had an office in Rockefeller Plaza for many years and I still had an office there when I was serving as U.S. Ambassador, and I had occasion to go to New York to see my brother who was in charge, and my secretary said that a man by the name of Michanowsky was on the telephone and wanted to speak to me and I had just gone though all of this business of the document that I am speaking of and talking to Chief of Staff Eisenhower and having talked to Mr. Hoover and to Tom Clark, and I was sort of anxious to see what this man wanted.

So he said he would like to come over and see me. I told him I was returning to Washington in a couple of hours but if he came over right away I would see him.

I called my brother, and I said get as many of the boys up in the next room, I don't know whether I am going to have any trouble but, just in case, I don't want to have any difficulties but I would rather you have it, because as a U.S. Ambassador I didn't want to be in that embarrassing position.

Michanowsky came in and he was an interesting looking fellow. Young, very bright, strong, and full of self-importance, and he said this to me, I had my secretary leave—he said, "Mr. Ambassador, we like the cut of your jib."

Senator McCLELLAN. What?

Mr. PAWLEY. We like you. He used those words, "We like the cut of your jib," which is an expression meaning that my efforts or my activities he approved of. He said, "We think you will go places in Government and I represent the CIO Political Action Committee and the Latin American Division, and I would like to know if we could work out some arrangements whereby you would be willing to work with us."

Had he caught me unprepared, I might have been stupid, but having the information some days prior I tried to play as dumb as possible and I said, "What in the world could I do, Mr. Michanowsky, that would be useful to you?"

He said, "We are trying to keep abreast of all the labor problems in Latin America and we are trying to keep abreast of the Communist problems as they develop."

He said, "The CIO is very anxious to know all about these two subjects."

He said, "You are now Ambassador to Brazil, we could assist you if you assist us." I said, "In what way could you assist me?" He said, "We could probably make you Assistant Secretary and we probably could make you Under Secretary." I said, "Well, I felt that the President of the United States and the Secretary of State made these appointments." He said, "Mr. Ambassador, we have 8 million votes and we are quite a power in Government."

I said, "Mr. Michanowsky, I would be glad to throw you out of this 46th floor window, and I have got enough men in the next room to do it." I said, "You are a Communist agent, you have been working through Spruille Braden, and I know it, and you have come here tonight to offer me his job, or this afternoon." I said, "He is speaking, Braden is speaking to the CIO at the Waldorf this evening, and you are going to be on the platform, and you tell him that you came here and offered me his job because I am going to tell him tomorrow, but I am also going to tell the Attorney General and the President and the Secretary of State just what has transpired here and if you have any sense you are going to get out of this country as quickly as you can."

I went to Washington and I reported what I am now saying to you to the people that I stated I would report it to. And 2 or 3 days later I had a call from Mr. Hoover telling me that Michanowsky had gone to Mexico for a 6-months' vacation with Toledano and that was the last I ever heard of Michanowsky until I saw his name on the list of lunch guests at the meeting which Rubottom spoke at. I don't know what his activities are; I have no knowledge.

Senator McCLELLAN. That was quite recently, this dinner meeting?

Mr. PAWLEY. Four months ago.

Senator McCLELLAN. Four months?

Mr. PAWLEY. Yes.

Mr. SOURWINE. What was the dinner, sir?

Mr. PAWLEY. It wasn't a dinner. It was a lunch.

Mr. SOURWINE. Oh, yes.

Mr. PAWLEY. I think it is the Pan American Society and I was in New York and Henry Holland was invited and he asked me to go along.

Mr. SOURWINE. Where was it held?

Mr. PAWLEY. It was held at the, I don't know whether it is called the University Club, it is on Broadway and—about 54th Street—not Broadway, I mean Fifth Avenue.

Mr. SOURWINE. 54th and Fifth, the University Club?

Mr. PAWLEY. Yes.

Mr. SOURWINE. Do you remember the date of this dinner?

Mr. PAWLEY. No, I do not.

Mr. SOURWINE. About 4 months ago?

Mr. PAWLEY. Yes, it could be longer than that.

Mr. SOURWINE. You mentioned something about your activity in China?

Didn't you also have a part in organizing the Flying Tigers?

Mr. PAWLEY. Yes, I did organize the Flying Tigers.

Mr. SOURWINE. There are those who credit you with having done so.

Mr. PAWLEY. I did actually; but Claire Chennault, whom I employed at the Chinese request, got the credit for it and as I did not do that for credit, I employed all the men that were involved in that, and I owned the company that was used for the purpose. I was the only stockholder and president of the company and Mr. Roosevelt thought that media was a good one to use because the employment of pilots and mechanics had to be done under cover, and I provided the cover.

Mr. SOURWINE. You also have been a delegate to the inter-American conference for maintenance of intercontinent peace and security?

Mr. PAWLEY. Yes, Bogotá conference of 1947, I mean the Rio conference of 1947.

Mr. SOURWINE. And the Bogotá conference which was the Ninth International Conference of American States at Bogotá in 1948.

Mr. PAWLEY. I was U.S. delegate there.

Mr. SOURWINE. You were special assistant to the Secretary of State during the U.N. session of Paris in 1948?

Mr. PAWLEY. Yes, I was.

Mr. SOURWINE. And you were special assistant to the Secretary of State in Washington in 1951 and in December 1951 special assistant to the Secretary of Defense?

Mr. PAWLEY. That is correct, sir.

Mr. SOURWINE. In which capacity you served in Europe including the NATO Conference in Lisbon in 1952?

Mr. PAWLEY. That is correct.

Mr. SOURWINE. Your presence in Bogotá in 1948 is interesting. Was Raul Castro in Bogotá at that time?

Mr. PAWLEY. Raul wasn't but his brother was, Fidel.

Mr. SOURWINE. Fidel was?

Mr. PAWLEY. Yes.

Mr. SOURWINE. What can you tell us about that?

Mr. PAWLEY. Well, there was information that reached our delegation that we might expect some trouble at Bogotá.

George Marshall had come with the idea of staying 2 or 3 days for the opening of that conference. I had been asked by the President and by Secretary Marshall—we had had a very successful conference in Rio in 1947, and I was desperately afraid that the conference at Bogotá would be a failure. It was an economic conference in which the United States was in no way prepared to participate, and I resigned as Ambassador to Brazil to take effect on the date of the opening of the Bogotá conference.

Senator McCLELLAN. You resigned?

Mr. PAWLEY. I did, sir, but I was asked to come to Washington, and the President or the Secretary called me over to the White House and said, "Pawley, we want you to organize the Bogotá conference." This was 3 months before it took place, and I strenuously objected to having to do it because I did not believe that the United States had anything to offer the Latinos at Bogotá, and we would go there and come out in very bad shape.

We did not have any money for lending in the Export-Import Bank.

Jack McCloy, who was President of the World Bank, was completely unsympathetic to Latin America, had never been to Latin America in his life, and had made no loans in Latin America although the World Bank as of that date had made loans in excess of a billion dollars to other parts of the world, so I told the Secretary and the President that I thought we would take a terrific licking there and it would be better for us to postpone it for a year.

They stated they couldn't; they had a very definite commitment and asked me to see if I could find some means on which we could get ourselves ready for Bogotá in the 3 months we had.

By reading Department of State records I discovered there were 17 countries in Latin America that wanted a Pan American Bank. I

asked the President to let me have a press conference and talk about a Pan American Bank. He said as long as you make no commitments it is OK. I had a press conference and I spoke of the Pan American Bank and the great need for one. Jack McCloy wanted to resign as World Bank President because he felt strongly there was no need for such a bank. Bill Martin was quite provoked and said I was upsetting the banking arrangements that already existed. Fortunately the Congress in the last year or so has created the Pan American Bank that was discussed in 1948. So, out of that, much good came.

McCloy agreed to go to Latin America and visit all of the principal Latin American countries prior to the Bogotá conference. He agreed to process one or more loans to one of the Latin American countries and Bill Martin agreed to go to the Congress for us to try to secure, for Latin American lending, \$500 million, which the Congress granted, earmarked for Latin America, because all of the funds then in Bill Martin's bank (Export-Import Bank) were earmarked for European lending. I believe that was the beginning of the Marshall plan; I am not quite sure but I think so.

We had a very successful conference in Bogotá but, as I also said, Marshall intended to stay 3 days. We had information that there would be trouble. We had information that there was a Cuban there, a very young man who appeared to us not to be a real threat.

But they organized one of the most astute pieces of skullduggery you can imagine. The Communists killed Gaitán at 1 o'clock in the afternoon—he was the most popular liberal and was deeply loved all over the country. They told the young man who did the killing that they would be sitting in an automobile waiting to pick him up armed with machineguns in case somebody attacked him. But the minute he did the killing they machinegunned him and left him there and they got away.

Senator McCLELLAN. Who do you mean by "they"?

Mr. PAWLEY. The people who organized this killing.

Senator McCLELLAN. Do you know who they were?

Mr. PAWLEY. We believed it to be the Fidel Castro group. I cannot testify—I am under oath—that I know that positively, but that is the information that generally was considered true in Bogotá and since that time.

Senator KEATING. Was Castro there at the time?

Mr. PAWLEY. Oh, yes, sir.

Senator McCLELLAN. Both of them?

Mr. PAWLEY. No, sir; the younger one was too young.

Senator McCLELLAN. Just Fidel?

Mr. PAWLEY. Just Fidel. And another man whose name skips me but well known in the present Cuban Communist setup.

Mr. SOURWINE. Would that be "Che" Guevara?

Mr. PAWLEY. It could be, but I am not sure. It could be, but I would really rather not—

Senator KEATING. Could you give us any further evidence as to the basis for your saying that your belief is that it was Fidel Castro?

Mr. PAWLEY. That he was there?

Senator KEATING. No; that it was he who was the leader of this machinegunning expedition?

Mr. PAWLEY. Oh, yes. The day that this happened, General Marshall was at our house. Mrs. Pawley and I had taken a house in

Bogotá for the conference as it was expected to last several weeks or a month. Walter Donnelly, then Ambassador to Venezuela, a close personal friend of mine and a great foreign service officer, one of the best, was also with us, and when General Marshall left, Walter and I started down to the headquarters in our car and on the radio I heard a voice say: "This is Fidel Castro from Cuba. This is a Communist revolution. The President has been killed, all of the military establishments in Colombia are now in our hands. The Navy has capitulated to us, and this revolution has been a success." Nothing more clear than that.

Senator KEATING. That's right.

Senator HRUSKA. What radio was it? One of the regular channels?

Mr. PAWLEY. Within 5 minutes of the time that Gaitán was killed every one of the radio stations in Colombia was in the hands of this revolutionary group.

Senator KEATING. Did you actually see Castro at that time?

Mr. PAWLEY. No; but Guillermo Belt, Cuba's Ambassador to Washington, who was a delegate to the conference, was the one responsible for getting Fidel Castro out of the Cuban Embassy in Bogotá after the revolution, and secured safe passage for his (Castro's) return to Cuba. Ambassador Belt has told me many times that he did it and he is now sorry. He told me this again as late as a week ago in my office in Miami.

Senator KEATING. Who is Belt?

Mr. PAWLEY. Belt was Cuban Ambassador to Washington for many years.

Guillermo Belt. William Belt.

Senator KEATING. Is he now in Miami?

Mr. PAWLEY. Yes; he is in Miami or he could be in Washington. He has many friends here and he comes here frequently.

Senator HRUSKA. Who was the man who was assassinated?

Mr. PAWLEY. Gaitán.

Senator HRUSKA. What was his position?

Mr. PAWLEY. I don't know that he had an official position. He could have had, but I don't know.

Senator HRUSKA. Not an official position?

Mr. PAWLEY. I think he was the political leader in the opposition party in Colombia, but he was a man of great prestige and greatly loved. They killed him knowing that they could rally the masses against the Government, which is what they were trying to do, and as I said before—admitted, too, on the radio—they were trying to destroy the Organization of American States.

Senator KEATING. Did they, in fact, assassinate the President?

Mr. PAWLEY. No; no.

Senator KEATING. There was a false statement on the radio?

Mr. PAWLEY. Eighty percent of the radio broadcast was false, we later found out; but it was a very bad revolution, 2,500 people lost their lives. The city was gutted by fire, our delegation of 80 were trapped in 2 buildings; one burned, it was a 7-story building—had burned up 3 floors before it went out, and had it not been at that high altitude, where there is lack of oxygen, that building would have been destroyed and there would have been no escape for our American delegation.

Senator HRUSKA. Was this the beginning of the civil hostilities which then lasted for several years in Colombia?

Mr. PAWLEY. Yes. That was the beginning of the agitation that has continued and there are large pockets of Communists in Colombia today that the Government cannot deal with.

Senator HRUSKA. And especially those removed somewhat; there is a province that is entirely Communist and governed by them.

Mr. PAWLEY. That is correct; but there are pockets all over Colombia actually in which the Communists are in control.

Mr. SOURWINE. Sir, during your service in the diplomatic service of the United States, have you ever had occasion, other than the one you have already described, to come up against Communist infiltration?

Mr. PAWLEY. Well, I think that the episode with which I became involved, in which we had the loss of China, constitutes for me what I believe to be one of our greatest losses and one that in my judgment might be the inevitable cause of world war III. I was in the Department of State at that time, and if this committee would care to hear the story on this, I would be very glad to relate it. It is not a pretty picture but it is accurate, and, for what it may be worth, it may be of some value to you. I don't know.

Senator McCLELLAN. Well, I think the committee would be interested in hearing it.

Mr. PAWLEY. As I said to the committee earlier, I had spent from 1932 until 1944 in and out of China. I had been in business there for many years and I had built three aircraft factories, as stated before, and I was familiar with the China picture. I knew all of the leaders on the Nationalist side and I had met many of the leaders on the Communist side. I met Mao Tse-tung and Chou En-lai and, as I was the president of an aviation company, I traveled all over the country and provided 90 percent of the aircraft used by the Nationalist Government in its fight against the Communist regime prior to the Japanese war, and I continued in that capacity during the period in which the Japanese were in China.

Therefore, I had a tremendous feeling regarding the Communist threat to us and to the world. I even felt at that time that it might even be a greater threat than Germany and Japan.

George Marshall stated at lunch one day in the presence of several friends of my wife, he said, "Bill, the great problem with you, you were right 5 to 8 years too soon."

But anyway, I came back to the States, and when I was invited by Mr. Truman to participate in his Government which I was most happy to do, I said to him, "You are sending me to South America, Mr. President, but I would like to give you the advantage of many years' experience in the Far East. I think that I am somewhat of an expert on this and I would like to talk to you about it sometime," and he said, "Yes."

I had six definite discussions with Mr. Truman between 1945 and 6 months before Korea. I said to the President that I thought that if we did not provide, as the Communists were doing, a strong Nationalist force to defend their own freedom that China would be lost to communism, and if it were lost all of Asia would go, that I thought we had to be fully advised on the subject and there were hundreds of Americans well informed on this and he could form a committee of 50

or 60 people to advise him on what America's stake [should] be in China when the war was over and how could we best protect that stake.

Now, while I was in Chungking—and prior to that even, in Hangchow when the headquarters were there—I found young men working for the American Government in the Department of State whose views I did not agree with. They thought, and were so telling our Ambassador and also Stilwell, that the Communist movement was an agrarian reform movement of great benefit to China—that Chiang was too dictatorial and that we should align ourselves with this agrarian reform group.

Senator KEATING. Did you know the representative of the State Department in New Delhi at the time there in Stilwell's headquarters?

Mr. PAWLEY. I was in New Delhi quite a lot, any number of generals came in and out of there because I had an aircraft factory at Bangalore and I dealt with all of them.

Senator KEATING. Were you aware of the fact that the State Department representatives in Stilwell's headquarters in New Delhi were informing the military there of the same thing which you said the young men were informing them in China?

Mr. PAWLEY. No, I did not know that.

Mr. SOURWINE. Do you have particular individuals in mind, Mr. Pawley, who were saying these things, initiating these reports?

Mr. PAWLEY. The men that I recall would be John Davies, Jr., John Service, one or two others.

Senator KEATING. Davies was in New Delhi at one time. John Carter Vincent?

Mr. PAWLEY. John Carter Vincent was here in Washington as an Assistant Secretary of State and he formed part of the clique that believed and worked on this theory.

So my talks with President Truman—and he and I were very close friends—were most satisfactory except that he felt that the things that I was advocating were premature in the first instance. On subsequent trips back to Washington from my Latin American post I sought an opportunity to discuss the matter with him again, and I continued doing this. I never got anywhere because as the years went by he would tell me that Dean Acheson was better informed on these matters than I was, that he had the advantage of ONI, and G-2, and State information and that I had been out of touch with it for some time and that I was wrong.

I had my final talk with Mr. Truman 6 months before Korea. I can establish the date if that were necessary, but I went in and I said, "Mr. Truman, I will never approach you again; I have been out to see George Marshall and he agrees with what I am going to say to you. I think if we do not take a strong hand now and support with tremendous effort the Nationalist movement in China in which Chinese will fight for their own freedom and own independence, China will be lost and you will have a war on your hands in Burma, Indochina, or Korea within 1 year and you will either commit America or you will lose Asia, and to me the greatest error of judgment in the world would be for an American to fire a shot at a Chinese. That to me would be one of the most terrible catastrophes that could befall this country. There are millions of people who are willing to fight for their own freedom—who don't have enough to eat—and who can be recruited

and made into marvelous soldiers. You can do it for 10 cents on the dollar to what it would cost if you do have to use Americans."

In February 1951 I was sworn in as a special assistant to the Secretary of State, Dean Acheson. President Truman sent me over there. George Marshall came to my swearing in and I asked Tom Clark to swear me in.

Mr. SOURWINE. Who were the people you worked with during that period in the Department of State?

Mr. PAWLEY. I am submitting some of the names of the individuals with whom I have worked in and out of the Department of State during this period:

Mr. Paul Nitze.

Senator Knowland.

General "Pat" Carter (now Deputy Commander in Korea) who was then in Mr. Chadbourne's office.

Mr. Gerald Brophy, a New York lawyer who was Special Assistant Secretary of State.

Mr. James E. Webb, Under Secretary of State.

I wanted some friends in court. I knew I was in a place where I was not liked, and the morning after I was sworn in the Under Secretary of State asked me for lunch, and this is what I was told. He said, "Bill, you and I have been friends a long time and I don't want to make you feel badly."

Mr. SOURWINE. Who was this?

Mr. PAWLEY. This was Jim Webb.

"I don't want to make you feel badly, but at a meeting in the Secretary's office this morning, to which we purposely did not invite you, it has been decided that you are to see no document dealing with the Far East, you are to participate in no conference that is held in the Department of State or anywhere else in Government dealing with this matter, and as a favor to the Secretary just don't discuss Far East matters."

I said, "Jim, am I considered a subversive?"

He said, "No." He said, "Let's say reactionary." He said, "We have our views on what ought to be done, and they do not coincide with yours and therefore we don't want any trouble."

I said, "Jim, when we get to a position in the Department of State in which a man with the years of experience in the Far East that I have had—where you have had none, the Secretary has had none, no high official of the Department of State that I know here today has had any, the President of the United States has had none, and no member of the Cabinet that I know, and they are all my friends, has had—and the Secretary rules me out as a devil's advocate, then I think we are in real trouble."

He said, "That's the way it's got to be, Bill."

I said, "Let me ask you this question: Was this decision made in order to get me to resign this morning?"

He said, "That I don't know."

I said, "Well, you can tell Dean I am not resigning." Immediately I went over then to see George Marshall, who was Secretary of Defense, and I told him the story. He wanted to take it to President Truman but I asked him not to. I didn't want any differences between Dean Acheson and the Secretary of Defense.

So General Marshall very kindly said, "Any issue or any paper of great importance that comes out of the Policy Planning Board must go over my desk and I certainly will take advantage of your experience and will call you over here and give you an opportunity to criticize or comment on it as these things occur," and that is what happened.

Few policy papers on China came out of the Department while I was there that I did not see. And in two instances at least, we were able to have policy papers further reviewed.

Senator McCLELLAN. What kind of papers?

Mr. PAWLEY. Policy papers.

For the committee's information, I submitted to Jim Webb on November 7, 1949, a memorandum requesting the Secretary of State to consider permitting a small number of American civilians and ex-military officers of the U.S. services to advise the Chinese Nationalist Government on its effort to save Formosa, Hainan Island, and re-establish itself on the mainland of China.

Mr. SOURWINE. Do you have a copy of the memorandum and will you give it to the committee?

Mr. PAWLEY. I do have a copy and I will be glad to furnish it to you to be inserted in this record.

(The document referred to is as follows:)

THE PLAINS, VIRGINIA,
November 7, 1949.

MEMORANDUM

To: The Secretary of State.

From: William D. Pawley.

The Chinese Nationalist government, deeply concerned with the urgency of halting the advance of aggressive communism in Eastern Asia and the West Pacific, and mindful of the views of the United States Government that drastic remedial measures should be taken by the Chinese government in order that it can effectively deal with this critical situation, desires and requests the assistance of American advisers. The Chinese realize that United States policy is opposed to sending to China American advisory missions that would include military officers on the active list of the United States. Therefore, the Chinese desire themselves to employ as a matter of immediate urgency a small group of American advisors composed of civilian, economic, industrial, agricultural and military advisors. The military advisors would be retired and/or ex-officers of the United States services.

To the above end, certain civilian and ex-officers of recognized ability and standing, and who also are informed as to the nature of the problem, have been approached regarding their ability to serve, provided the project receives the approval or acquiescence of the American government, or at least is not opposed by the American government. A number of civilians and retired officers have signified their willingness and desire to serve, provided this project is not disapproved by the United States government. They feel, further, that should the project not be opposed, that with the help of relatively small number of able assistants the situation in Formosa and possibly in Hainan can be saved. They feel also that success in Formosa and Hainan would greatly strengthen the resistance forces on the mainland and would give new courage to millions of Chinese who are opposed to Communist domination and control, and would at the same time bring about psychologically beneficial results in areas now in Communist hands.

The principal advisor in each field of endeavor would require approximately twenty assistants. The total group, at least initially, should not exceed 130 to 150 men. Our information is that the Chinese government would work very closely with the advisors so employed. Each advisor would associate with himself a substantial number of able, patriotic Chinese of known integrity. The civilian element would have to be immediately concerned with the improvement of the political and economic conditions in Formosa and Hainan. The

officers would advise and assist in the training program and in maintenance of equipment. They would also provide operational and training advice and would give some supervision to the procurement and distribution of supplies.

It is our sincere belief that men accepting an assignment of this kind would be serving directly in the interest of the United States and of the world, as well as in the interest of maintaining a free China. Assurance can be given that these men would not engage in any activities inimical to the interest of the United States. Further, we feel (and I am sure all will agree) that each day of delay in the vigorous initiation of their activities reduces the chance of success.

If this small group of advisors can be as successful as we feel it possible that they may be, the holding of Formosa and Hainan would contribute greatly to a Nationalist government being able to maintain its consulates and embassies throughout the world, friendly to the United States. It would also enable friendly Chinese to remain in the United Nations.

Respectfully submitted,

WILLIAM D. PAWLEY.

Mr. SOURWINE. Mr. Pawley, was this memorandum ever acted upon?

Mr. PAWLEY. No. On December 15, 1949, I received a memorandum from Mr. James E. Webb, Under Secretary of State, referring to my memorandum of November 7 in which he endeavors to sidetrack having presented my memorandum to the Department of State as an official document for the Secretary's consideration.

Mr. SOURWINE. Do you have a copy of Mr. Webb's note?

Mr. PAWLEY. I have the original before me.

Mr. SOURWINE. Will you offer it for this record?

Mr. PAWLEY. I will be glad to offer it for the record.

(The document referred to is as follows:)

THE UNDER SECRETARY OF STATE,
Washington, December 15, 1949.

DEAR BILL: You will recall that you stopped by my office on November 7 and left with me a draft memorandum to the Secretary of State from you. We discussed this memorandum, and I indicated that I did not want to receive the paper as an official proposal but I would be willing to look it over and consult with you. I suggested that after studying the document I get in touch with you. You indicated, however, that you were going to be moving around quite a bit, and that you would call me in the near future and we would have further discussion. I just want you to know that I am still awaiting your call and I will be glad to discuss this with you at your convenience.

Sincerely yours,

/s/ Jim,
JAMES E. WEBB.

The Honorable WILLIAM D. PAWLEY,
The Plains, Virginia.

Mr. SOURWINE. Did you reply to Mr. Webb's note?

Mr. PAWLEY. Yes, I did reply on December 18, 1949, as per a copy I have before me.

Mr. SOURWINE. Will you offer that for this record?

Mr. PAWLEY. Yes, I will be glad to offer this for the record.

(The document referred to follows:)

DECEMBER 18, 1949.

DEAR JIM: Thank you for your note of December 15th which refers to my visit with you on November 7th.

I left with you a memorandum addressed to the Secretary of State, which I brought to the Department as an official request for consideration.

Knowing that the Secretary was leaving for Paris that day, I thought it might be handled more expeditiously if I delivered it to you, knowing that the Secretary could not give it consideration on that day, November 7th. We discussed the memorandum at some length, and you indicated that you would take it unofficially, discuss it with members of the Department interested in

this subject, and would take it up with the Secretary on his return. You stated further that you would prefer that it not be known that the memorandum had been left with you. This was a little difficult for me to understand, particularly in view of the fact that I was bringing the request addressed to the Secretary of State as a desire for early consideration, because, as I expressed to you, time was running out and the Communists were rapidly overrunning all of China's mainland.

I knew that both your secretary and Mr. Humelsine would be able to locate me without any difficulty, once the matter had been taken up with the Secretary. I recall, however, stating that I would be in touch with you at a later date, and although I could be mistaken, I was of the opinion that once the matter had been discussed with the Department officials charged with this responsibility, and with the Secretary, I would be advised whether a discussion with me on this matter would be desired, or whether the matter would be approved or disapproved by letter.

I have been quite disturbed at having heard nothing further from this request. I explained to you that I had been in touch with a number of our important ex-Government officials and civilians, many of whom had expressed a willingness to serve, should this idea not be opposed by the U.S. Government. I have been unable to convey to them either approval or disapproval.

I am afraid, Jim, that those in the Department who have advocated—from as early as 1942—that the National Government of China be scuttled have succeeded in their campaign. I, as an American citizen quite familiar with the Far East problem, am deeply moved by the failure of the Department of State to energetically pursue the same type of anti-Communist expansion program in China and in the Far East as has been carried out by the United States in Europe.

I believe the Department of State's policy on China, so overwhelmingly opposed by the majority of the people of the United States and those tens of thousands of people personally familiar with the subject, will result disastrously for America and the world.

It becomes necessary now for the American people to again review our anti-Communist campaign and expenditures in Europe with the object of determining the effectiveness of this great expenditure, while, at the same time, assisting the Communists in a far more dangerous area by a policy which results in "loss by default."

It is impossible for President Truman to make decisions on many of these complex world problems, except on the advice of those responsible. Therefore, certainly the President should not be held accountable for this error, should it (as I feel it will) prove one of the greatest mistakes of the past few years.

I did my best to persuade President Truman not to permit the publishing of the "White Paper" on China. I felt that the alienating of the two or three hundred million Chinese was a mistake, and I feel equally sure that the policy of permitting China to be overrun by the Communist hordes, without unremitting effort on our part to stop it, is even a greater mistake.

I had an hour's interview with Ambassador Jessup on this subject Saturday, December 10th, and the next day, Sunday, an interview with General Marshall and Ambassador Jessup.

I lament the fact that Ambassador Jessup goes to the Far East at this late date. Support that will have to be given by the United States in Indo-China, Siam, Malaya, Burma, and India will be far greater in money and men than would have been necessary to have stopped the spread of communism in China.

As stated before, your note of December 15th is appreciated, but the chances are negligible that there could be any practical value of a discussion at this late date.

Many of us who have been familiar with this subject, insofar as it affects the Department, as far back as 1942 saw the handwriting on the wall, and we have been unsuccessful in our efforts to correct this serious mistake.

Sincerely,

Mr. SOURWINE. Did you make any subsequent effort in this connection?

Mr. PAWLEY. Yes, I did. It was some time later.

Mr. SOURWINE. How much later?

Mr. PAWLEY. General Marshall and I had discussed this subject a number of times and he requested, early in January 1951, that I prepare a memorandum dealing with this general subject.

Our ECA officials will testify to the fact that there has been a tremendous improvement in Nationalist morale due to the new influence enjoyed by young, American-educated Chinese, both in the Army and in the government of Formosa. A positive anti-Communist program would encourage this very healthy development.

Formosa would continue to be the supply source and training ground for Nationalist replacements as they joined up or defected from the Red armies on the mainland.

Granted, this is a hazardous proposal. But these are hazardous times.

This is a course which can be pursued with honor, and with legality and practicality.

In manpower, we are far outnumbered in the Orient. This proposed program will provide an offset—it will permit Orientals to decide the issue in the Orient. It may even prevent the disintegration of the United Nations as a powerful world force for peace and order.

It may be necessary at the outset to surround this undertaking with secrecy. If it is, therefore, impossible to proceed within the framework of the U.N., it still appears militarily and politically expedient to free the Nationalist government from its imprisonment on Formosa and to support its effort to reestablish itself on the mainland. To my mind, the United States—or even groups within the United States—properly could do this.

If we do it and succeed, as I feel confident we can, we will have regained the initiative in one of the most vital areas in Asia.

Mr. SOURWINE. Was this memorandum which you prepared at General Marshall's request ever acted upon so far as you know?

Mr. PAWLEY. I do not believe it was acted upon, but I know that General Marshall gave it serious consideration; but whether it was ever submitted to the Department of State for consideration, I don't know.

General Marshall has been criticized greatly for the China episode, but he was the one who stopped Phil Jessup, representing Dean Acheson, from bringing back from China a recommendation to recognize Red China.

It was general knowledge in the Department of State that we were about to recommend recognition of Red China, and the way it was planned was for Jessup to represent Acheson at a meeting of U.S. Ambassadors in the Far East and get from that meeting a recommendation to recognize Red China and bring them into the U.N.

I met with Jessup on December 10, 1949, and made a tremendous effort to dissuade him from this policy. After my hour and a half meeting with Jessup convinced me that he was going to carry out this policy in spite of my pleas against it—although he, of course, did not directly admit it—I so informed General Marshall, then president of the Red Cross. At Marshall's request I arranged a meeting for the next day between Marshall, Jessup, and myself at Marshall's apartment. General Marshall's impression of Jessup's intentions was so similar to my own that he stated to Jessup that if the Department of State did pursue a plan of recognition of Red China that he personally would take it up with the President, in order that this serious mistake not be made. After Jessup left, General Marshall told me that he intended to discuss this matter with President Truman.

Senator McCLELLAN. That is who?

Mr. PAWLEY. Phil Jessup, Special Assistant to the Secretary of State.

Senator HRUSKA. Was he acting on his own or was that a policy decision of the Department?

Mr. PAWLEY. It was a policy decision of the Secretary at that time.

Senator HRUSKA. Would the Secretary have been privy to it?

Mr. PAWLEY. Oh, yes.

Senator KEATING. And it was a policy decision which was opposed, you say, by General Marshall?

Mr. PAWLEY. That is correct.

Senator HRUSKA. What was the year, the time approximately?

Mr. PAWLEY. December 1949.

Senator HRUSKA. Then it was before Korea?

Mr. PAWLEY. Yes, about 6 months before Korea.

Senator HRUSKA. Well, the Secretary in January made that very important statement of his in which he defined the perimeter of defense and so on. With reference to that, was the incident which you described before or after?

Mr. PAWLEY. Before, and in my last talk with President Truman, which was 6 months—within 2 or 3 days—before Korea happened, I said to him, "You will have a war on your hands within 1 year, you will have a war on your hands, and you will have it within 1 year and you will have to commit Americans," and I will never forget it—may I say something off the record?

Senator McCLELLAN. You may, sure.

(Discussion off the record.)

Senator McCLELLAN. On the record.

Repeat what you have said, I would like to have it on the record. I have had some strong suspicions about things for a long time.

Mr. PAWLEY. I stated to Mr. Truman in my last interview with him 6 months before Korea that he would have a war in Burma, in Indochina or Korea within 12 months, and that if he did not immediately prepare a strong National army that he would commit Americans or lose Asia.

Senator McCLELLAN. By national army you meant a National army in China?

Mr. PAWLEY. Yes, in China, under Chiang. There was no other leader who could do the job.

Senator McCLELLAN. Yes.

Mr. PAWLEY. But Mr. Truman stated that he didn't want to get bogged down in a war in China; that he was not buying what I had to sell, that his information was completely contrary to what I had to say, and that under no circumstances would he commit an American in a war in Asia. And in fact that there would be no war in Asia, that my information was wrong.

It is my judgment, and I was in the Department of State at the time, that this whole fiasco, the loss of China and the subsequent difficulties with which the United States has been faced, was the result of mistaken policy of Dean Acheson, Phil Jessup, Lattimore, John Carter Vincent, John Service, John Davies, Jr.—did I mention him?—Clubb, and others.

Senator McCLELLAN. Do you think those mistakes were all sincere mistakes of judgment, or what?

Mr. PAWLEY. No, I don't, Senator. The record is full of evidence that at least one of these men, John Service, was brought before the Justice Department after documents of top secret nature had been discovered in his home where he would take them at night, they would be photographed and later delivered to a Russian agent in New York who transported them then on to Russia, and the evidence that was obtained by the Justice Department was by tapping telephones and by apart-

ment search without a warrant, and they were unable to convict, and Justice Clark, then Attorney General, so informed Acheson, and Acheson is reported to have said, and I think this is an accurate statement, I don't know this first hand but it comes from sources that I believe to be satisfactory, that Acheson said, "If you can't convict him I am going to give him back his job," and his next assignment was India. His wife got there but the Senate wasn't going to buy it. They had another investigation of that man prior to—

Senator McCLELLAN. That was Service.

Senator KEATING. You mean he was named Ambassador?

Mr. PAWLEY. No, he was named as political secretary or some post but he never got there. En route there—his family got there—he was brought back for investigation, and he went through several security checks, at least six or seven, before he was finally dismissed.

Mr. SOURWINE. Are you aware that after he had been dismissed by Mr. Dulles, the Supreme Court ordered him rehired?

Mr. PAWLEY. I did not know.

Mr. SOURWINE. On the ground that—not that Mr. Dulles' findings that he was a security risk were in error, but on the ground that Mr. Dulles had not followed the departmental procedure which he himself had laid down. Are you aware that the State Department at that time announced that Mr. Service was being rehired under the Supreme Court's order but that he would be given a nonsensitive job?

Mr. PAWLEY. No, I don't know that. I am glad to hear that last part.

Mr. SOURWINE. That he had a job for a while handling the baggage and transportation of Foreign Service officers.

Mr. PAWLEY. I did not know that.

Mr. SOURWINE. Are you aware that for almost the last year he has been consul general in Liverpool?

Mr. PAWLEY. No, I didn't know that.

Senator KEATING. Is he there now?

Mr. SOURWINE. Yes.

Mr. PAWLEY. I wouldn't doubt it at all, because my experience in the Department of State has been a very disturbing experience for an American who feels that the security of this country is in jeopardy.

Senator KEATING. Did you know anything about Davies?

Mr. PAWLEY. John Davies? Not more than I have said, no more than I have said. I had a man—and I would like to discuss another case—I had a man with me by the name of Wieland.

Mr. SOURWINE. You say "with" you, where was that?

Mr. PAWLEY. He served with me as press attaché in Rio when I was Ambassador there.

Mr. SOURWINE. Yes, sir.

Mr. PAWLEY. His activity there was of a nature that was displeasing to me, being conscious of this Communist problem probably more than most Americans as early as that, just having come from Asia, and it was of sufficient worry, although there was nothing specific that I could put my hands on—it was conversations that I would hear, hear him have with other members of the press in press conferences and things of that kind—to give me a squirmy feeling regarding his activities, and I made it known to various officials from time to time—it has been a long time ago, so to say to whom would be difficult for me right

now—that I didn't believe that Wieland was particularly useful to the U.S. Government.

It ought to be a privilege to serve and not men who have funny ideas.

I later found out, I lost track of him for years, that he had taken a Foreign Service examination and had come along in the Foreign Service, and I then came in touch with him when he became the area officer over Cuba, Haiti, and Santo Domingo and he has been there for several years.

Senator KEATING. You mean he is in the Department here?

Mr. PAWLEY. He is in the Department.

Senator KEATING. But under the Latin American desk.

Mr. PAWLEY. He is a junior to the Assistant Secretary.

Mr. SOURWINE. He presently heads the desk for the Caribbean and Mexico.

Mr. PAWLEY. He is more than the desk officer. He is area officer for the Caribbean, including Cuba, Haiti, and the Dominican Republic.

Mr. SOURWINE. Doesn't he also have jurisdiction over Mexico?

Mr. PAWLEY. Probably. Since I knew this—the minute I found it out, I made my questions known to U.S. Government officials.

Senator KEATING. When did you do that?

Mr. PAWLEY. I have been doing it for 2 years, periodically for 2 years, and the last time I did it, I did it in the Department of State on the Monday following the summit, the beginning of the last summit meeting, just to give dates, I don't know when that was, but that is what, 4 months ago?

Senator KEATING. Can you tell us or is there some reason you don't want to tell us to whom you transmitted the information?

Mr. PAWLEY. I first transmitted that information to the President. I have also transmitted it to the Vice President.

Senator KEATING. You mean President Eisenhower and Vice President Nixon?

Mr. PAWLEY. Yes. I went to the Department of State by arrangement made by the President to go there to talk to Dillon. The Secretary had gone out of town, I guess they had gone to the summit and they brought in Ambassador Mallory who is deputy to Rubottom.

Senator KEATING. When was that?

Mr. PAWLEY. I told you the Monday following the departure of the group from the United States for the summit. And Mr. Dillon received me and Mallory was present, it being a Latin American problem, and we discussed Cuba, we discussed Haiti and Santo Domingo.

Senator KEATING. Did you transmit to them your misgivings about your Mr. Wieland?

Mr. PAWLEY. I did. In this discussion I said, "I would like to do something that I know you people don't particularly like but I think it is important that I do it. I have great misgivings of the wisdom to have had and to continue to have William Wieland in a critical post. His close association with Herbert Matthews of the New York Times and the activities having to do with this whole Cuban episode in which he is in charge, and has a great deal to do with the policies that come out, this man should not be there, and he should not have been there for a long time." Mallory said this to me—this can be corroborated by Senator George Smathers who was present—he

said, "I am sorry that I am having this pressure put on me regarding Wieland because I might have changed him to some other post; but now with this pressure, I will not change him."

And I said to Mallory, "I don't understand that. I am a former U.S. Government official, I worked in this Department for 5½ years. I was trying to be useful by pointing out something that I think is of value to the Department, and you put it on the basis that I am bringing pressure. It just doesn't make sense."

Mr. SOURWINE. Yes.

Mr. PAWLEY. The man is still there, and I understand he was even invited to participate in the foreign ministers' conferences which have just taken place. I am not positive of that but I have heard that he went.

Mr. SOURWINE. Do you know anything specifically of his activities in connection with the rise of Castro to power in Cuba?

Mr. PAWLEY. Well, let's go back a little. A decision was made, and a very unwise one, and announced to the world, that we, the U.S. Government, would supply no further arms to Batista's government nor would we supply them to Castro.

Now one is a revolutionary, known to be a Communist, and to put them both in the same notice that we will not supply to a recognized government that is working with us in every possible way, nor will we supply them to the revolutionary, when he knew—and I think that the policy came out of Bill Wieland's office, approved by the Assistant Secretary and later reached the approval of higher officials—but that policy statement condemned the Batista government to defeat, because the entire hemisphere and the world, but more important, the Cuban Army, and the Cuban people, knew that Batista was finished in the eyes of the American Government, that isn't, in my judgment, good policy planning.

If you want to get rid of a man you certainly don't do it by that type of approach, because what you are doing, and I have told Wieland and other members of the Department of State including Rubottom and members of CIA just that, prior to Batista's fall, in meetings in which I participated both in CIA and in the Department of State—and I told Wieland in the meeting of several people, "If you permit Fidel Castro to come into power you are going to have more trouble than you have ever seen in your life."

Mr. SOURWINE. When was this?

Mr. PAWLEY. This was 6 weeks before Fidel came into power.

Mr. SOURWINE. In what capacity did you attend this meeting?

Mr. PAWLEY. I had a meeting in my house in Miami with the Deputy Assistant Secretary of State Snow who is now Ambassador to Burma, I believe, Henry Holland, former Assistant Secretary; J. C. King, of Central Intelligence, regarding "What do you do about this Cuban problem?" And I—

Mr. SOURWINE. You were being consulted as an expert?

Mr. PAWLEY. Sir?

Mr. SOURWINE. You were being consulted as an expert?

Mr. PAWLEY. They were all experts. We were exchanging ideas.

Senator KEATING. Was this a social occasion or something prearranged?

Mr. PAWLEY. This was a social occasion following a meeting at which I was moderator in which some Latin American Ambassadors,

Henry Holland and this man, appeared as a panel and we were all staying at my home, and this discussion lasted until 'way in the morning—what to do about Cuba—and I stated that I thought everything we were doing was wrong.

I told them that we should now, to try to save the place, to see if we can go down there to get Batista to capitulate to a caretaker government unfriendly to him, but satisfactory to us, whom we could immediately recognize and give military assistance to in order that Fidel Castro not come to power, and they thought it had sufficient merit to justify my coming up with them the next day and have meetings in the State Department and in Central Intelligence Agency.

Foster Dulles was then sick but he was still available to the telephone. I was selected to go to Cuba to talk to Batista to see if I could convince him to capitulate, which I did. I spent 3 hours with him on the night of December 9.

I was unsuccessful in my effort, but had Rubottom permitted me to say that "What I am offering you has tacit approval, sufficient governmental backing," I think Batista may have accepted it.

I offered him an opportunity to live at Daytona Beach with his family, that his friends and family would not be molested; that we would make an effort to stop Fidel Castro from coming into power as a Communist, but that the caretaker government would be men who were enemies of his, otherwise it would not work anyway, and Fidel Castro would otherwise have to lay down his arms or admit he was a revolutionary fighting against anybody only because he wanted power, not because he was against Batista.

Senator KEATING. And the new government would also be unfriendly to Castro?

Mr. PAWLEY. Yes.

Mr. SOURWINE. Who would the new government have been?

Mr. PAWLEY. The men we had selected and that had been approved and that I could tell Batista, were Colonel Barquin, Colonel Borbonnet, General Diaz Tamayo, Bosch of the Barcardi family, and one other whose name at the moment escapes me. But there were five men, all enemies of Batista.

It came within that close of working, and the only thing in my judgment that made it fail to work was to say—after all, I had known this man 30 years and I could talk to him frankly—"If you will do this it will have the approval of the American Government."

All I could say to him was, "I will try to persuade the U.S. Government to approve."

Senator KEATING. But they wouldn't let you say it, though?

Mr. PAWLEY. No, which was tragic in a way because I think it would have avoided the problem.

Mr. SOURWINE. Did you know that 6 days after you saw Batista on the 9th of December the American Ambassador saw him and told him that the U.S. Government had lost confidence in his ability to keep peace and that to avoid bloodshed the best thing that could happen would be for him to leave the country?

Mr. PAWLEY. No, I did not know that, and had I been privy to that I would have done what I could to have prevented that from happening that way because that is—the only possible result of that would be that Fidel Castro would have immediately come into power, and I am convinced that there was enough noise made in the meetings in the

Department of State and in CIA for enough people to be convinced that Castro could bring us nothing but disaster.

Mr. SOURWINE. Do you have any knowledge respecting any information conveyed officially or on official orders to the newly elected Government of Cuba, the Rivero-Aguera government, that it would not have this support from the U.S. Government?

Mr. PAWLEY. No.

Mr. SOURWINE. Do you have any knowledge of such an intelligence being communicated to Batista, that we would not support the Rivero-Aguera government?

Mr. PAWLEY. No, I did not know that.

Mr. SOURWINE. Sir, do you have any other information respecting security problems in this Government which you have not told the committee about, which you think might be of value to us?

Mr. PAWLEY. Specific, no; if I may express an opinion for whatever good it may be, I would like to do that.

I worked for the Department of State five and a half years. I think the career men, and this does not affect either a Democratic administration or a Republican administration—what I am saying is true under either—I made it a point while there to try to find out how this thing works, where do the policy papers come from, how is it developed, who makes policy, and this is a very difficult thing to find out.

You can work there for years and not find that out. No one ever puts his name on a document. You never can pin anything down. The whole system is wrong, and as long as it continues here this way, gentlemen, this country is going to be suffering from it.

A policy paper develops, let's say, for the sake of argument, on Cuba, in Wieland's office, with the assistance of the desk officer for Cuba, Haiti, Dominican Republic, and if it is Mexico, Mexico, they will bring him in and prepare a policy paper. I will be in there as a special assistant to the Secretary of State with the rank of ambassador. I will get word one day there will be a policy paper discussion in room 427 at 3 o'clock. You come in there. There will be 30 people sitting around from many branches of Government and they will hand you a mimeographed document as big as this, in sheets here.

Senator HRUSKA. Fifty or sixty pages?

Mr. PAWLEY. Yes. There are no names or anything on it. You don't know where it came from or who did it or anything else and you will sit down and the senior men will say, "Let's start, read page 1," and I have gone through this many times. You read page 1 and somebody will say, "Well, I think that the third paragraph ought to be changed to read so and so," and you go through the whole thing, they will change words, and change paragraphs and they will debate back and forth, but nobody ever debated whether this policy paper itself had any justification or whether the thing they were driving at made sense.

Senator KEATING. Didn't anyone ever bring up that basic—

Mr. PAWLEY. Never in one of the meetings that I attended, in which there were many, and when it was all over, all of those people would sign this document on this margin. Then it would go to the Under Secretary and he will see all these signatures on here, and obviously he is a very busy man, so he puts his on it. It goes up to the Secretary. That becomes a policy paper, a U.S. Government

policy paper, and it is made by a man of very junior position and not only junior, but very questionable judgment on whether this thing is right or wrong, and in the case where I thought the paper was very bad I would go to the Secretary of State's office as quickly as I could and I would say, "I just sat in a meeting and there is a policy paper coming through. In my opinion it should be stopped." Or if it was George Marshall, who was the Secretary with whom I had very good relations, we stopped policy papers by having it immediately referred to the Secretary and because he knew about it in advance he would sit down and read it, and he would call in his staff. I participated and he would call in some of his top advisers to his office, and read the riot act, really do a beautiful job, but that policy continues, nevertheless.

Senator KEATING. Who was Secretary then?

Mr. PAWLEY. General Marshall.

Senator KEATING. You mean Secretary Marshall?

Mr. PAWLEY. Yes. I couldn't do that under Dean Acheson.

Senator McCLELLAN. Before you participate in those meetings are you given any indication of what the subject matter will be?

Mr. PAWLEY. Not the slightest.

Senator McCLELLAN. You just go in there, here is a document, no author of it.

Mr. PAWLEY. No author.

Senator McCLELLAN. Sources unknown.

Mr. PAWLEY. Completely unknown.

Senator McCLELLAN. And gone over more or less for technical—

Mr. PAWLEY. Nothing in the world except for words and paragraphs.

Mr. SOURWINE. It goes on the theory that since the policy paper was written it exists, and all you have to do is dot the "i's"?

Mr. PAWLEY. Evidently. And I believe sincerely if some steps are not taken by this Government (and I don't know how it can be done) that changes that policy, we are in trouble.

The other thing: I believe sincerely that there must be more control over how foreign service officers are assigned to their positions.

Senator HRUSKA. More control by whom?

Mr. PAWLEY. Today they are assigned by Foreign Service officers. All the assignments that take place today are completely under the control of Foreign Service officers, and I believe that is wrong.

Senator KEATING. You mean they should not be able to assign themselves?

Mr. PAWLEY. No, sir.

Senator KEATING. How should it be done?

Mr. PAWLEY. Well, when an administration comes in, I believe that it is very important that more people come in with that administration, who believe in the policies of that administration, into a department as critical as the Department of State, and I believe they should be permitted to sit there and participate actively in all decisions or matters of decision that have to do with the assignment of these people to critical areas, and that a very careful investigation be made of the man who is going to go to that point, because that is not done today. There is just no control over that. I would like to know, for instance, and I think it is important to know, how did Bill Wieland get assigned to this critical area?

Let's take the new Assistant Secretary, Tom Mann. Tom is brilliant and could not be a nicer fellow. He wants to solve most of the problems of communism in the Western Hemisphere by meetings of the OAS or of foreign ministers. I do not agree. It has been my experience that the Latin American countries will assist the United States in the fight against communism, but they do not want to be put on the spot by having to openly vote against a sister Republic in favor of the gringo.

I would also disagree with Tom in the situation between Trujillo and the President of Venezuela.

Senator KEATING. Betancourt?

Mr. PAWLEY. Yes, Betancourt. Tom Mann has excellent relations with him and would like to do everything he can to help him. But Betancourt has had a personal running feud with Trujillo for many years for reasons having nothing to do with communism. One of his primary objectives is the overthrow of Trujillo, and Tom, I think has been understandably influenced by Betancourt's feelings.

My own approach is different. I have lived and worked in Latin America off and on for almost 60 years and I believe I am as well informed as any American on what has gone on there in the past and what is happening today. As to the Dominican Republic, I have been there many times, beginning as far back as 1916. I have known that country when it was poverty and disease stricken almost beyond belief. Today it is a beautiful little country that has accomplished more for its people in a shorter time than any other country in Latin America.

You will understand that I am not trying to evaluate Trujillo. That is not my purpose here. All that I am trying to say is that the situation there is not all black, and that, in any event, we need above all a consistent policy. If the United States is going to help Tito, who is a Communist dictator, but condemn Trujillo, it just doesn't make sense.

The Truman administration went all out to discredit Franco, but nevertheless George Marshall sent me to Spain to negotiate with Franco.

I made the arrangements with Franco that got us the bases today. I was sent there by George Marshall not as an official of the U.S. Government.

He said, "You can't go officially because Mr. Truman dislikes Franco, so when you resign in Brazil you go over there and negotiate with him."

And I did, and the bases we have today are 100 percent as a result of George Marshall's having sent me there to make the arrangements, August and September of 1948.

Senator McCLELLAN. Off the record.

(Discussion off the record.)

Senator HRUSKA (presiding). Back on the record.

Mr. PAWLEY. The story I am about to tell you, I have told to President Eisenhower and I have told to many high officials of the American Government.

When I was Ambassador to Brazil in no case can I recall that the Brazilian Government failed to respond to requests made on them through me on behalf of the American Government.

I had many official visitors to Rio while Ambassador there: President Truman, Chief of Staff Dwight Eisenhower, several Cabinet

members, former President Hoover, and many high military officials and in each case, when calling on the President of Brazil (and with me as interpreter) these U.S. officials told Brazil's President, "If there is ever anything I can do to be of assistance to you please let us know."

The President of Brazil called me one day and said, "Pawley, I need some help. I bought 40,000 tons of wheat in New York. The army bought it, it is paid for out of army funds, it was purchased by the chief of staff, and that 40,000 tons is now in New Orleans ready to be loaded on Brazilian ships, the first of which is already docked and the authorities there are requesting an export license. I would therefore like an export license."

He said, "I get 40,000 tons of wheat for civilian consumption allocated by the Allocation Board in Washington, and if you have to take my next month's allocation to replace this 40,000 tons which I have already bought, do so."

"I cannot let the army down nor could you afford to deny them this. Don't forget, Pawley, we put 40,000 men in the war on your side in Italy."

It is the only country in South America that put up any real war effort. I said, "Mr. President."—I said, "Mr. President, I will immediately return to the embassy and get on the telephone and do what I can."

I called John Snyder—then Secretary of the Treasury—first, he said, "This isn't in my jurisdiction but I will help you in a Cabinet meeting tomorrow, if it comes up."

I called the Secretary of Agriculture, Clint Anderson, who said, "Yes, no problem. We would be delighted to issue an export license."

He said, "Call Averill Harriman."

I called Averill, who was Secretary of Commerce. Averill is a good friend of mine, and he said, "O.K., you can have the wheat. If Clint says it is OK, it is OK with me. You had better get in touch with Bill Batt. He is in charge of the export control." So I called Bill Batt. He says, "If the Secretary says it is OK, fine."

I called Bob Lovett, the Under Secretary of State.

I said, "Bob, this is what I have done, I need an export license. The ship is lying in the harbor."

I said, "They want to put 10,000 tons on right away."

He replied, "You have already done my job. I will get you an export license."

I explained that Truman had been down here a few weeks ago and ought to get credit, I called Matt Connolly at the White House and I said, "Please tell the President."

He came back and said, "Take this down. The President of the United States pays his respects to the President of Brazil and says he is delighted that this Government will issue an export license for the 40,000 tons of wheat for the Brazilian Army. There will be no need to take the next month's allocation for civilian consumption."

I went back to the palace, delivered the message. I was delighted that I had been able to comply with this, what appeared to be a very small request.

The wheat never came, the export license was never issued, the wheat was sold in New Orleans at \$75,000 loss to the Brazilians, and we suffered a great deterioration of our relations with the Brazilian Government from which we have never to this day recovered.

Senator KEATING. What was back of it?

Mr. PAWLEY. I was called to the palace a week later and I was severely questioned about the conversation I had reported to the President, a man I greatly admired and whom I knew to be my friend. He couldn't believe I had talked to the President of the United States and two Cabinet members and the Under Secretary and that their instructions were ignored.

He could not believe it. He said, "Pawley, it is impossible."

I said, "Mr. President, there isn't enough rice in China for me to misrepresent facts to you. You have been my friend, I am representing my Government here. If I even thought of fabricating something, I shouldn't be here a minute." He said, tears in his eyes, he said, "How could it happen?"

I said, "That I don't know, but I will leave for Washington tomorrow, and I will come back and tell you."

I went to Washington. I went to Bob Lovett, and we started to investigate, and I found that there were a few people in Government in junior positions, State, Treasury, Commerce, Agriculture, that held meetings weekly, sort of a junior cabinet, that decided on what is good and what was not good for the United States and they came up with these answers.

Brazil doesn't belong to the Wheat Allocation Board. Brazil bought this wheat in New York at a price too high for normal, therefore, there was some kickback from some of the Army people. They bought it without asking in advance and they gave us a fait accompli, and if we do this we will have to do it for others that might come along later, and that type of thing.

But gentlemen, I ask you this question:

Can it be in a great country like the United States that when two Cabinet members and the Under Secretary of State and the President make a decision, it can be overruled by junior men?

Senator KEATING. Did you ever take it to the President?

Mr. PAWLEY. Of course, I did.

Senator KEATING. What did he say?

Mr. PAWLEY. I don't believe I know what he said. I think he said he would look into it. But from that day until this, and I would like to make this very clear, we have never recovered the relations lost, and the people who did this, in my judgment—and I can't swear to this—were trying hard to disrupt relations between the United States and the Brazilian military.

Mr. SOURWINE. Did you learn the identities of any of these individuals?

Mr. PAWLEY. Yes.

Mr. SOURWINE. Would you tell the committee the names of those you know?

Mr. PAWLEY. I only remember one. There were several, but I only remember one.

He was in Agriculture and I believe his name was Dr. Alexander, but I would like to doublecheck that.

Mr. SOURWINE. Do you have a record of these names somewhere?

Mr. PAWLEY. I don't know.

Mr. SOURWINE. If you do have would you be willing to furnish the committee with the names?

Mr. PAWLEY. I will check and see if I do. I think that story is indicative, I told that to the President 2 weeks after he became President, he came down to my farm in Virginia for lunch, he and Mrs. Eisenhower came down and just my wife and myself, the four of us.

I said, "Mr. President, you have a very serious problem and I want to tell you this story because I think it is indicative of what you are up against and, if you don't clean that thing out and take strong measures to correct this type of thing, your program will be sabotaged."

Senator KEATING. Have you called it to the attention of Vice President Nixon?

Mr. PAWLEY. Yes, I have.

Senator HRUSKA. Mr. Pawley, you described a little bit ago this process of how position papers originate and how they are processed. That process you described as having occurred when you were in the Department?

Mr. PAWLEY. That is correct.

Senator HRUSKA. Have you any reason to believe that it has changed any since that time?

Mr. PAWLEY. I don't have an idea really, I have no connection and have not had for years with any of the—

Senator HRUSKA. Mr. Pawley, with regard to the decision to break diplomatic relations with Trujillo, where do you suppose that policy might have been made in the light of your experience of previous years with the Department?

Mr. PAWLEY. I think this is a Bill Wieland idea. I really do, I am not trying to say that Bill Wieland is the one blank spot with me either because there are a lot of them. But I think Bill Wieland is the one responsible for this problem and therefore it would have to originate at that point.

He was the one, no question about it, who came up with the idea of not selling arms to either side in Cuba. But here is an interesting thing: While they were doing this, I lived in Miami, and this is a fact: more than 10,000 men were armed for Castro out of Dade County with all of the officials closing their eyes to Castro receiving their arms in spite of the neutrality law; and the minute Castro came in the Justice Department sent down 250 special agents which there are today to prevent anyone from hurting our friend Castro.

That does not make sense to me. What are we doing?

Senator KEATING. Are those special agents still there?

Mr. PAWLEY. Yes, sir.

Senator KEATING. Are they FBI agents?

Mr. PAWLEY. I wouldn't know. They are Federal agents.

Senator KEATING. You say under the Department of Justice?

Mr. PAWLEY. Right.

Senator KEATING. You mean as protectors of Fidel Castro?

Mr. PAWLEY. I don't want to put it in that way, but their job—and it is well known, this is a matter that is no secret, every Cuban knows it, and so do the Americans, that those men are there to keep any airplane or anybody from getting any arms to anyone that opposes Castro, that is their job specifically.

Mr. SOURWINE. Mr. Ambassador, you talked about the OAS decision having been—

Mr. PAWLEY. Influenced.

Mr. SOURWINE. Influenced. Is that something you want to put on the record?

Mr. PAWLEY. I don't mind putting it on the record.

Mr. SOURWINE. What is your wish, Mr. Chairman?

(Discussion off the record.)

Mr. PAWLEY. I was told by Mr. Sourwine and I hope this is correct, I am opening up my heart here, that this is an executive meeting in which this information does not get publicity of any kind.

Mr. SOURWINE. I told you we have never had a leak, sir, and in the 10 years we have not.

Senator KEATING. But I want to say this, there have been efforts made to make public testimony taken in executive session, and you cannot be assured that such efforts will not be made again.

Senator HRUSKA. That is right. Where executive sessions are held, and testimony taken in this way, on occasion there is a meeting of the—there is a decision by the committee to release the testimony taken in executive session.

Now if your understanding was anything to the contrary would you indicate?

Mr. PAWLEY. Well, yes, it is contrary to that but nevertheless I am here under subpoena.

Senator HRUSKA. Yes.

Mr. PAWLEY. The Senate must use its best judgment as to what it wants to do in that regard.

I would have not held back anything that I have had to say to you in any event.

Mr. SOURWINE. You mentioned a Newsweek man who, you said, had a part in influencing the attitude with regard to the Dominican Republic, were you referring to Harold Levine?

Mr. PAWLEY. Yes; I was.

Mr. SOURWINE. I think this question should be asked for the record:

Have you any reason to believe that William Wieland is a Communist?

Mr. PAWLEY. No, I don't have any reason to believe that.

I only know that many of these men, that get involved in this type of thing over the years that I have had any connection with, are serving the cause of our enemies, that is all.

Mr. SOURWINE. You think he is doing this wittingly, intentionally?

Mr. PAWLEY. I have got to say that he is either one of the most stupid men living or he is doing it intentionally.

Mr. SOURWINE. Do you know anything about Mr. Wieland's activities as a newspaperman in Cuba when he used the name Montenegro?

Mr. PAWLEY. That is all I know, Montenegro. He did have—

Mr. SOURWINE. Arturo Montenegro, I believe.

Mr. PAWLEY. Yes; that is right.

Mr. SOURWINE. I have no other questions.

Mr. PAWLEY. I have had great doubts regarding this man for a long time.

Other than that I can't go any further, because I don't know.

Mr. SOURWINE. I have no more questions, Mr. Chairman. I would like very much if it can be managed to get these other two witnesses who have been subpoenaed out of the way.

We can do it in 7 minutes apiece.

Senator HRUSKA. Mr. Pawley, thank you very much for appearing before this committee.

Mr. PAWLEY. Thank you, sir.

(Whereupon, at 12:25 p.m., the committee proceeded to other business.)

THE COMMUNIST THREAT TO THE UNITED STATES THROUGH THE CARIBBEAN

THURSDAY, SEPTEMBER 8, 1960

U.S. SENATE,
SUBCOMMITTEE TO INVESTIGATE THE
ADMINISTRATION OF THE INTERNAL SECURITY ACT
AND OTHER INTERNAL SECURITY LAWS, OF THE
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to call, at 11:15 a.m., in room 2300, New Senate Office Building, Senator James O. Eastland, chairman, presiding.

Present: Senators Eastland, Dodd, and Hruska.

Also present: J. G. Sourwine, chief counsel.

The CHAIRMAN. Stand up, please, sir. The record will show you are appearing here under subpena.

Do you solemnly swear the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PAWLEY. I do, sir.

The CHAIRMAN. This is a continuation of hearings from last Friday. Mr. Sourwine, would you proceed?

Mr. SOURWINE. Mr. Pawley, you have fully identified yourself in the previous hearing. With the permission of the chairman, and if you have no objection, I will ask that the identification and the discussion of your record and background which was given at that time may be included in this hearing by reference at this point to save time.

TESTIMONY OF WILLIAM D. PAWLEY

Mr. PAWLEY. Yes, sir.

Mr. SOURWINE. Is that satisfactory, Mr. Chairman?

The CHAIRMAN. Is that agreeable?

So ordered.

Senator HRUSKA. Is it true, Mr. Chairman, that the witness here is responding to a subpena by his appearance this morning?

The CHAIRMAN. Yes; I ordered that statement placed in the record.

Mr. PAWLEY. Yes.

The CHAIRMAN. Proceed.

Mr. SOURWINE. Yes, sir.

Mr. Pawley, would you tell us in your own words of your experience with State Department policy memorandums with regard to Latin American matters, how they are made and approved?

Mr. PAWLEY. Usually the policy papers appear to be drafted by desk officers or area officers, and they later are brought into a conference in which other members of the U.S. Government are present,

meaning members from such agencies as Treasury, Commerce, Interior, et cetera. Sometimes as many as 25 or 30 people. This document will then be read by the various people present for corrections. But it does not seem to result in determining whether the policy paper that is under consideration is the correct approach to the problem with which our country might be confronted.

Mr. SOURWINE. Is the authorship of these policy papers indicated?

Mr. PAWLEY. In no case have I ever seen one of these papers with any signatures on it prior to the conference at which it is reviewed.

The CHAIRMAN. Wait just a minute. In other words, the meeting did not make policy but would simply correct the expressions in a memorandum that was our policy, that had already been formulated down somewhere in a lower echelon in the State Department?

Mr. PAWLEY. I think that is true, Senator; however, in a number of cases, and this must be true always, some person at this meeting might not agree that this is a good policy paper, which happened to be me several times and I would go directly to the Secretary and request him to send for the paper in order that he himself could review it before it went any further, and in many cases that paper would be abandoned as a basis of any further consideration of that matter.

Senator DODD. Could I ask a question?

The CHAIRMAN. Yes, sir.

Senator DODD. So I can get this picture more clearly in my mind. I have in my mind a picture of several men around the table or in a room and before each one a copy of this paper as we described it.

Mr. PAWLEY. Yes.

Senator DODD. Did anyone ever ask at any of these meetings that you ever attended who prepared the paper?

Mr. PAWLEY. No; that doesn't seem to be a proper question. That is taboo.

Senator DODD. Well, if no one ever asked it you would not know whether it had been answered or not. This was an impression you had. It was the kind of question—

Mr. PAWLEY. If you looked at it, it would be mimeographed blank copies, and I frequently went through each one to see if there was any indication as to where this paper came from.

Senator DODD. Did anyone ever suggest that it would be good policy to give the consultants, the various individuals, a copy of a proposed policy paper at least 24 hours in advance of the discussion so that there would be an adequate opportunity to comprehend it?

Mr. PAWLEY. At no time did I ever see that happen.

Mr. SOURWINE. You mean these papers were disclosed to the consultants for the first time when they came in to discuss it?

Mr. PAWLEY. As far as I know. That was the only basis on which I ever saw it happen.

Mr. SOURWINE. Were they allowed to take their copies away with them after they left consultation?

Mr. PAWLEY. I don't believe I can answer that accurately. I don't remember.

Mr. SOURWINE. You told us something about each consultant initialing the paper; did they all initial a single copy?

Mr. PAWLEY. A single copy.

Mr. SOURWINE. Did you ever have any knowledge of your own with regard to who was making these policy papers or framing them for the first time?

Mr. PAWLEY. No. I frankly did not. Of course, you know the Department of State has a Policy Planning Board from which many policy papers originate, and obviously those papers reach the Secretary and the Under Secretary as soon as they become ready for circulation, and other top people in Government, the Security Council and the Secretary of Defense, receive copies of the papers that come out of the Policy Planning Board.

Mr. SOURWINE. In the discussion of these papers was it clear that the paper was considered as representing policy and that the only questions were how it was to be said in particular instances?

Mr. PAWLEY. I don't think that question ever would come up at these meetings where this thing was being reviewed. After it had the signatures on the side of some 20, 30 people, it would then go up to an Under Secretary and later get to the Secretary's Office, and it would seem obvious to me if a paper arrived in the Secretary's Office signed by as many people as would have signed this one, that he would consider that having had sufficient scrutiny by competent people within the Department of State not to question it.

Mr. SOURWINE. Were you at the Bogotá Conference, Mr. Pawley?

Mr. PAWLEY. I was.

Mr. SOURWINE. Was Fidel Castro—

Senator HRUSKA. Just a moment before we leave this subject, Mr. Pawley. You have described the origin and the presentation and the processing of these position papers. I assume you described that in the light of your own personal experience in meetings where you were present?

Mr. PAWLEY. That is correct.

Senator HRUSKA. Have you any reason to believe that the procedure would be any different as to others than yourself? Would there be any ground or reason to believe that the procedure might be different when other people would be present beside yourself?

Mr. PAWLEY. No; it seemed a normal procedure to me.

Senator HRUSKA. Thank you.

Mr. SOURWINE. Was Fidel Castro in Bogotá at the time of that conference?

Mr. PAWLEY. Yes; he was.

Mr. SOURWINE. Would you tell us what you know of his activities there?

Mr. PAWLEY. I believe that the secret agencies of the United States had some inkling that trouble might be expected at Bogotá, but I do not believe that anyone expected anything like the revolution that actually took place.

Senator DODD. Excuse me just a minute. Didn't I read all of this last night? He testified about this earlier?

Senator HRUSKA. Yes.

(Discussion off the record.)

The CHAIRMAN. On the record.

Is it true that you organized the Bogotá Conference?

Mr. PAWLEY. That is correct, sir; at the request of the President and the Secretary of State.

And I repeat, I am going to give you a copy, if I may, of a newspaper, a Latin American newspaper that appears in the streets today, and this is today's issue, in Spanish and English, and I do this for a purpose. I am not trying to hurt Dillon's effort down there, but I think what we are doing is inadequate. I don't believe we can buy good will in Latin America. I don't believe that \$500 million, which is the exact amount we went to Bogotá with in 1948, is any answer to the problem. I am suggesting that the bank that I proposed in 1948, Pan American Bank, which 11 years later has been created, be increased in capital in order that the Latin Americans take half of the capital and the American Government take half and that it become a guaranteeing agency to guarantee private investment in the Western Hemisphere against expropriation. That is fundamental. If we don't create a climate in which private capital can freely be invested in the Western Hemisphere, the Western Hemisphere will go communistic.

The CHAIRMAN. I agree with you.

Senator DODD. I do, too.

Mr. PAWLEY. And \$500 million or \$2 billion as gifts on the part of the American Government will not solve the problem. It will take \$15 or \$20 billion over a period of 10 to 15 years. This great amount of money can only be obtained by the private investments of tens of thousands of individuals and companies, whose money would be invested in the Latin American countries, once we are able to establish a favorable climate for private investment. This can be attained by making it possible for this new enlarged Pan American Bank to guarantee all investors against expropriation (political risks), for which the bank would charge an annual fee of 1 percent or 2 percent.

As all of the Latin American countries (who together own one-half of the bank's capital) would be participating in the guarantee against political risks, it would appear that this, in itself, would reestablish the confidence so necessary to private investment. The newspaper in which these suggestions are given in greater detail is submitted to this committee for future reference.

Senator DODD. I think it should be made part of the record, Mr. Chairman.

The CHAIRMAN. Why wouldn't it do if he has any additional information, like the report there, to receive it, and then let him go over his transcript and his testimony before and see what he would agree to release and what he will not.

Senator DODD. I favor that. I would favor such a proposal.

Senator HRUSKA. I would be agreeable if it is agreeable to the Ambassador.

Mr. PAWLEY. That is agreeable to me.

Senator HRUSKA. I do have this thought in mind, Mr. Chairman, some latitude should be given to the witness even to rephrase certain parts of it because, if you start off in a certain way to express a thought, there may turn out to be a couple of thoughts in that sentence and so on.

He ought to be given liberal latitude.

The CHAIRMAN. Sure.

Senator DODD. I completely agree.

The CHAIRMAN. I order it done.

(The English text of the article referred to, from the September 8, 1960, issue of *Diario Las Americas*, is as follows:)

EX U.S. AMBASSADOR WILLIAM D. PAWLEY FAVORS \$3 BILLION FOR INTER-AMERICAN BANK—HALF TO BE CONTRIBUTED BY WASHINGTON AND THE REST BY THE LATIN AMERICAN COUNTRIES

"CLIMATE OF GUARANTY FOR NATIONAL AND FOREIGN PRIVATE CAPITAL MUST BE RE-ESTABLISHED"—"UNITED STATES SHOULD ENACT LAW LIKE 'CHINA TRADE ACT' TO STIMULATE U.S. CAPITAL INVESTMENT IN LATIN AMERICA"

For *Diario Las Americas*, Francisco Aguirre, Publisher

We had the opportunity of running into former U.S. Ambassador William D. Pawley enroute from Miami to Washington and we remembered that Ambassador Pawley back in 1948, as a member of the United States delegation to the Ninth Inter-American Conference that met in Bogotá, Colombia, held a press conference in the city of Washington during which he presented the idea of establishing an Inter-American Bank. Inasmuch as we are on the eve of the meeting of the Committee of Twenty-One, which will be held also in Bogotá 12 years later, we thought it timely to hear Ambassador Pawley's reactions, for which reason we presented several questions to him, which he kindly consented to answer.

Twelve years after your idea about the Inter-American Bank, we would like to know what your thoughts are concerning the current situation in the Western Hemisphere.

"Twelve years ago an economic conference like the one you mention was held in Bogotá. I was privileged to serve as a member of the United States delegation composed of such distinguished persons as George Marshall (Secretary of State), Averell Harriman (Secretary of Commerce), Norman Armour, William Martin (President of the Export-Import Bank), and Ambassador Walter Donnelly. George Marshall had great interest that the Economic Conference have as much success as the military conference held in Rio de Janeiro in 1947. At that time we obtained from the U.S. Congress the approval of an appropriation of five hundred million dollars reserved exclusively for loans to the Latin American nations. In a few days we will be participating in a conference similar to the one of 1948 and with the same objective. Twelve years ago the United States contributed five hundred million dollars to the work of that conference. That amount was used a long time ago and additional sums were obtained for the purpose of making further loans. We go now to Bogotá with an additional sum of five hundred million dollars, once more exclusively reserved for Latin America. However, in the past these monies have been applied to loans resulting from unforeseen emergencies and without advance planning. For that reason we find ourselves without any well formulated plans for the future to help develop the economic well-being and the living standards of the less fortunate citizens of the hemisphere.

"Certainly I am happy to see the Inter-American Development Bank already established, although the capital at hand, which, as a matter of fact, has not as yet been totally subscribed in cash, to me seems inadequate to solve the problems of development of the Latin American countries."

Do you think, then, Mr. Ambassador, that in spite of the creation of this Bank it will be necessary to establish some other instrument to achieve the objectives you have in mind?

"I don't think that will be necessary, because I consider that the charter of this Bank offers the flexibility necessary to allow for complementary plans which can reach as far as the urgency we now confront requires."

"I consider that the depth of the inter-American crisis is of such a degree that it affects without any doubt the 360 million peoples who comprise the United States and Latin America. I believe that what is required is to reestablish a favorable climate, which unfortunately has been lost, so that private capital may continue its offensive—so to say—in favor of economic, political, and social development of the Western Hemisphere."

Would you care, Mr. Ambassador, to elaborate further on the idea you express?

"Of course. I am firmly convinced that friendship cannot be bought and, therefore, what is needed is to afford facilities for all the nations of America to achieve a standard of living which conforms to the aspirations of our civilization. I remember, for example, that prior to World War II there was enacted the

China Trade Act which had as its purpose to foster investments of American capital in China with the object of strengthening human and commercial relations between our two nations and their citizens. That act established that American-owned corporations functioning under its stipulations were exempt from income taxes imposed on other American corporations, provided their profits resulted from their operations in China. If the American stockholders of those companies received dividends while residing in China, those citizen stockholders were also exempt from Federal income taxes with regard to such dividends. Those incentives led to millions of dollars being invested in China."

"As I am trying to answer your question positively, I hope you will excuse me if I do not go into details about what I consider a fiasco of my country's policy with regard to the loss of China. What I do wish to make clear is that the loss of China was not the responsibility of those of us who invested capital in that country."

Ambassador Pawley, who has wide personal experience in Latin America, then proceeded enthusiastically to enunciate a plan for inter-American economic relations, which he summarized as follows:

"1. To make a collective effort by all twenty-one nations to reestablish the climate of guaranties for national and foreign private capital in order to do away with fear of expropriation and to guarantee currency convertibility.

"Should this be possible, and it is, the same benefits that would accrue under the China Trade Act could be applied to a Law that may be enacted by the Congress of the United States to cover the Western Hemisphere. The present Western Hemisphere Corporation Law does not give the necessary incentive tax-wise as presently written.

"2. To revert to the possibility of finding a long-term solution for the establishment of a climate to attract capital into the Western Hemisphere, it is suggested:

"(a) The Inter-American Development Bank could adjust its structure to provide for a greater participation of all the countries of the Western Hemisphere. The capital should not be less than \$3 billion and the Bank should have facilities for redistribution to other banking institutions of the notes and mortgages that it might take for the loans which the Bank will make to borrowers. The Government of the United States could contribute half of the capital and the other 20 American nations the other half, using an equal basis for all and after adequate study by the different institutions of the Hemisphere which in the past have worked in these matters. It would seem logical that this Bank would limit its loans to private enterprise ventures, be they joint or ventures by nationals of one or more of the countries. The principal function, however, of this Inter-American Development Bank (to whose capital all of the countries will have subscribed) ought to be to guarantee investments in the Western Hemisphere, be they by borrowers from the Bank or investments made by private sources. This Bank, for a fee of one to two per cent per annum, should guarantee against expropriation (political risk) and also assure the convertibility of currency in order that an investor could receive his dividends on the return of his invested capital, should he so desire, in the same currency of his initial investment. The Bank could be a powerful institution along the lines of the American FHA, for the economic development of Latin America and for the improvement of her living standard, without being limited, as in the case of the FHA, to the financing of homes. Its main objective, however, besides its function as a financial institution for industrial purposes, would be its capacity to guarantee the gigantic amount of private capital which would flow into the Western Hemisphere during the forthcoming ten or fifteen years, as a result of the return of a climate of confidence in the field of private capital investment. This climate of confidence will never be regained, except through an aggressive and bold plan, such as the one described.

"(b) Those countries in the Western Hemisphere whose present financial situation would not permit the subscription to that portion of the Bank's capital to which they should be obligated, could request United States Federal Agencies loans in the amounts that they themselves are unable to provide at this time. The interest to be charged by the United States Federal Agencies would be the same as the United States Government pays for its own long-term borrowing.

"This Bank, properly managed by the member stockholders, would be an extremely profitable institution and would create in all of the countries a rapid economic evolution that would make it possible for the said governments to repay the amounts borrowed for its creation without difficulty."

For those who may be eager to criticize this plan because of the magnitude of the Bank's capital, we must remind them that the U.S. Foreign Economic Aid Program for the whole year of 1960 is, approximately, equal to the total capital here provided.

Investments herein mentioned should include—among others—large scale housing programs, in order to raise the living standards of the Latin American peoples.

WILLIAM D. PAWLEY

Born September 7, 1896, Florence, S.C., educated at private schools in Havana and Santiago, Cuba; Gordon Military Academy, Ga.

Address: 2555 Lake Avenue, Sunset Island No. 2, Miami Beach, Fla.; and "Belvoir House," The Plains, Va.

1928: Organized and became president of Cia. Nacional Cubana de Aviacion Curtiss, Havana, Cuba. Company sold to Pan American Airways in 1932.

1932: Became executive vice president of the Intercontinent Corp., New York.

1933: Became president of the Intercontinent Corp. and China National Aviation Corp.

1934-38: Built three aircraft factories in China, for the Nationalist Government.

1940: Organized the American volunteer group, known as "The Flying Tigers." Also in this year, organized and became president of Hindustan Aircraft Manufacturing Co., Bangalore, India.

1944: Built India's first ammonium-sulfate plant, Tranvancore, India.

1945-46: Served as U.S. Ambassador to Peru.

1946-48: Served as U.S. Ambassador to Brazil.

1947: Served as delegate to Inter-American Conference for the Maintenance of Continental Peace and Security, Petropolis, Brazil.

1948: Served as delegate to Ninth International Conference of American States, Bogotá, Colombia. Later that year, served as Special Assistant to the Secretary of State, Third Regular Session of the United Nations General Assembly, Paris, France.

1949: Organized and became president of Autobuses Modernos, S. A., Havana, Cuba. During 1949 and 1950, removed streetcars, streetcar tracks, posts and wires from the streets of Havana, permitting the beautification of the city.

1951: Served as Special Assistant to the Secretary of State, Washington, D.C. In December 1951 was appointed Special Assistant to the Secretary of Defense.

1952: As Special Assistant to Secretary of Defense, served on special assignments in Europe during early part of year, including NATO conference in Lisbon, Portugal.

1954: On special assignment in the Department of State.

Owner, president, and general manager of the Miami Beach Railway Co., since 1941 and of Miami Transit Co. since 1948. Also owner of South Miami Coach Line and Tropical Coach Line, Inc., and Grayline Sightseeing Co. of Miami.

The CHAIRMAN. Mr. Pawley, you made some statements that a man named Wieland in the State Department had leftist tendencies.

Could you be more specific? As I understand it, you made a trip from Peru to this country, to Washington, to lodge a complaint about his activities in Peru?

Mr. PAWLEY. No; that is not correct. Could we correct this?

He came to my knowledge when I was in Brazil. He was there, as a Foreign Service Officer, in 1944, I think, he became Foreign Service Officer.

Mr. SOURWINE. 1946?

Mr. PAWLEY. 1946.

Mr. SOURWINE. Mr. Chairman, I have the State Department Register with regard to Mr. Wieland's biographical record and it might be desirable to simply order that paragraph inserted in the record at this point.

(Discussion off the record.)
(The biographical record referred to is as follows:)

WILLIAM ARTHUR WIELAND

Wieland, William Arthur.—b. N.Y., Nov. 17, 1907; Villanova Coll., 1926-27; U.S. Army 1927-28; corr. in Habana for Am. news ser. 1933-34; newspaper ed. 1933-36; press corr. in U.S. 1937-41; app. special asst. at Rio de Janeiro June 4, 1941; FSO unclass., v.c. of career, and sec. in Diplo. Ser. Oct. 24, 1946; 3d sec. and v.c. at Rio de Janeiro Nov. 4, 1946; FSO-6, Nov. 13, 1946; 3d sec. and v.c. at Bogota Dec. 23, 1946; FSO-5 May 15, 1947; 2d sec. at Bogota in addition to duties as v.c. July 9, 1947; FSO-4 and cons. and cons. at Bogota in addition to duties as 2d sec. Apr. 21, 1949; 1st sec. and cons. at San Salvador July 1, 1949; 2d sec. and cons. at Rio de Janeiro Aug. 29, 1951; FSO-3 and 1st sec. at Rio de Janeiro in addition to cons. Feb. 21, 52; 1st sec. and cons. Quito, Aug. 4, 54; couns., Quito Apr. 11, 55; 0-2 Feb. 9, 56; spec. asst. for pub. aff., Inter-Am. Aff. Dept. Feb. 10, 57; dir., Off. of Middle Am. Aff. May 19, 57. Off. of Caribbean-Mexican Aff. Sept. 7, 58; m. (The Biographic Register, 1959, Department of State, p. 776).

The CHAIRMAN. On the record. Your first knowledge is he was not in Peru but in Brazil. Would you tell us of his activities there?

Mr. PAWLEY. Well, Senator, I felt that in the area of press representative for the U.S. Embassy there, that you needed a person who was completely in sympathy with those policies and those ideals for which I think that country stands, and my observation of Wieland at that time indicated to me that he had tendencies that were somewhat contrary to what I thought to be in the best interests of the United States.

The CHAIRMAN. Well, would you be specific, Mr. Pawley?

Mr. PAWLEY. It is very difficult to be specific. These things are matters of degree, Senator.

The CHAIRMAN. Do you think he had Marxist philosophy, I don't mean Communist now, I mean Marxist?

Mr. PAWLEY. I don't know that I could say that, but he had strong views that seemed to me not sympathetic to our private enterprise system, and the so-called capitalistic basis under which this country has prospered.

He was in touch with the press at all times and I did not have a feeling of confidence that he was expressing to the foreign and Brazilian press things that I felt vital in developing the best position for this country. It is very difficult to be specific, Senator.

I am not trying to evade this question of yours in any sense.

(Discussion off the record.)

Mr. SOURWINE. It is understood on the record this is a top secret record.

Senator DODD. I would be in favor of that.

Senator HRUSKA. I am in favor of that.

Mr. PAWLEY. Yes, sir.

The CHAIRMAN. Proceed, sir.

Mr. PAWLEY. I was wondering at what point, where we are.

(Discussion off the record.)

The CHAIRMAN. We will recess then to 1:15.

(Whereupon, at 11:45 a.m. the hearing was recessed, to reconvene at 1:15 p.m. of the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will reconvene. Proceed, Mr. Sourwine.

Mr. SOURWINE. Mr. Chairman, the next two questions relate to the earlier testimony of this witness.

They are with regard to the memorandum which was given us, which referred to activities of Gustavo Duran.

Would you state for the record, sir, how this memorandum came to you and what the authorship of it was? I don't think that is clear on the record as it stands now.

Mr. PAWLEY. It was handed to me by the man who claimed to be its author, and he stated that he was working for G-2.

Mr. SOURWINE. Army intelligence?

Mr. PAWLEY. Yes, Army intelligence. And that the reason it was being given to me was because Senator Vandenberg and General Vandenberg both thought that I might have a better way of utilizing it for the interest of this country than doing it through normal channels.

The CHAIRMAN. What was your position at that time?

Mr. PAWLEY. I was a U.S. Ambassador, sir.

The CHAIRMAN. To what country?

Mr. PAWLEY. To Brazil.

The CHAIRMAN. Yes, sir.

Mr. SOURWINE. I want to phrase this second question carefully, I am not asking you how you know but I am asking you, Do you have reason to know that this memorandum was called to attention at high levels in the Government at the time?

Mr. PAWLEY. It was.

The CHAIRMAN. That is all in the record.

Mr. PAWLEY. That is in the other record because I spoke of that in great detail.

Mr. SOURWINE. All right, sir.

This is another matter, Mr. Chairman, which should be hooked up with previous testimony on this point. You gave testimony, sir, about a number of individuals who had to do with the debacle in China in the Far East, and I wanted to ask—you did not mention in that connection Robert C. Strong. Was he one of those who, to your knowledge, was involved in this situation?

Mr. PAWLEY. I never knew definitely on my own account that he was, but it was common gossip at that time he was one of the group. I only mentioned those that I had some direct or indirect contact with.

Mr. SOURWINE. You knew that Robert Strong had been accused of sending false pro-Communist information from Formosa during the critical 1949 period?

Mr. PAWLEY. Yes, I did know that, by hearsay.

Mr. SOURWINE. That he was on the policy planning staff of the State Department in 1953?

Mr. PAWLEY. I heard that, too.

Mr. SOURWINE. Did you know he was counselor of Embassy at Damascus during the crisis there?

Mr. PAWLEY. I did not.

Mr. SOURWINE. Did you know when Syria ordered other U.S. Embassy officials away they agreed he could be left in charge?

Mr. PAWLEY. No, I did not know that.

Mr. SOURWINE. You mentioned John Carter Vincent. Did you know after Ambassador Hurley had protested against him he was made Director of the Office of Far Eastern Affairs?

Mr. PAWLEY. Yes, that I knew, and I thought it was a big mistake.

Mr. SOURWINE. You mentioned John Stewart Service, and I assume you knew after he had been dismissed by Mr. Dulles he was ordered rehired as a result of a Supreme Court decision.

Mr. PAWLEY. I read that.

Mr. SOURWINE. Did you know that he had been for about a year now consul general at Liverpool?

Mr. PAWLEY. I certainly did not.

Mr. SOURWINE. Finally, you mentioned John K. Emmerson. Did you know that Emmerson, who was active in this Far Eastern situation during the crisis years, had been liaison at the U.N. between this country and friendly governments during the Suez crisis?

Mr. PAWLEY. No, I did not know that.

Mr. SOURWINE. Did you know he was American chargé at Lebanon at the outbreak of the Suez crisis?

Mr. PAWLEY. No, I can't believe it.

Mr. SOURWINE. Did you know John K. Emmerson is presently consul general at Lagos, Nigeria?

Mr. PAWLEY. No, I didn't.

Mr. SOURWINE. Is there anything you have to add to the testimony that has already been given with regard to Michanowsky?

Mr. PAWLEY. I believe that I covered that quite fully.

Mr. SOURWINE. Now—

Senator HRUSKA. Excuse me. You did say he was present at the luncheon in New York about 4 months ago?

Mr. PAWLEY. I think it might be more than 4 months.

Senator HRUSKA. Whatever it was, at the University Club.

Mr. PAWLEY. At the University Club, right.

Senator HRUSKA. Did you make any inquiry subsequent to that as to what he was doing or where he was?

Mr. PAWLEY. No; I didn't.

I just have not had an opportunity, frankly. I did not realize that he was there until I had gotten back to Miami and read the list of people who were present at the luncheon and it came as a great surprise.

The CHAIRMAN. What was the object of the luncheon?

Mr. PAWLEY. Rubottom was addressing the Pan American Society and there were several hundred people present, all interested in the Latin American problems and I had occasion to see many old friends again, and with Braden at the head table, I could not conceive of Michanowsky being in the audience.

Mr. SOURWINE. There were some questions earlier about your knowledge respecting Fidel Castro's activity at the time of the Bogota Conference.

Have you told the committee all that you know about that for the record?

Mr. PAWLEY. I think so.

(Discussion off the record.)

The CHAIRMAN. On the record.

Can you give us his address in Miami?

Mr. PAWLEY. Guillermo Belt?

The CHAIRMAN. Yes, sir.

Mr. PAWLEY. No, Senator, but I could get it and send you a telegram.

The CHAIRMAN. I would appreciate it.

Mr. PAWLEY. Yes.

I think he would be a very good witness, sir.

Mr. SOURWINE. Mr. Ambassador, can you add to what you have already told us about your efforts to get Batista to capitulate to a caretaker government unfriendly to him?

Mr. PAWLEY. I think the record is fairly complete on that, but I may not have said that a week after Batista left Cuba for the Dominican Republic, that he phoned me and asked me to come to see him, which I did, and the Foreign Minister, Cuban Foreign Minister, was with him, and as we went out on the porch, just the three of us, Batista said, "I have made many mistakes in my life, but the largest political mistake was not to accept the proposal that you made me several weeks ago."

(Discussion off the record.)

Mr. SOURWINE. Wasn't the forcing of Batista out before the end of his term for practical purposes the same thing as bringing Castro in because it created a vacuum into which there was no other force ready to move?

Mr. PAWLEY. I felt that that was the case, so much so that it tempted me to try to get the administration to permit my visit there with the idea of his capitulating to an unfriendly government. I felt that the vacuum that would be created would bring Castro in and having had some experience with Castro, I thought that anything would be preferable to that.

But I believe the mistake was made earlier than that.

I believe the day that the Rubottom decision was made to announce publicly that the Batista government would receive no further arms from the United States and neither would Castro's forces, was the bringing down the curtain on Batista, because the minute you tell his army and his country that he no longer has any support from the United States, on that day you just destroy him.

He had had no chance after that. I believe that was the crucial mistake that brought about the difficulty with which we are confronted with in Cuba.

Now, while Batista, a recognized government, could not indulge in smuggling, over 10,000 men were armed out of Florida with everybody closing their eyes to the fact that these planes and ships and boats and yachts were going in with this help for Castro.

Mr. SOURWINE. These were Castro people?

Mr. PAWLEY. Oh, yes, Castro.

Mr. SOURWINE. Not Batista?

Mr. PAWLEY. And today I am told we have over 250 special agents of the Federal Government in Florida to prevent anyone from doing anything against Castro.

Senator DODD. Those are immigration people, aren't they?

Mr. PAWLEY. They are Federal agents, and no matter where you go, if you go down to one of the little keys to play golf or go fishing,

and there is a little airstrip there, there will be a car out in 5 minutes after the airplanes land, and there will be one of those Federal agents wanting to know where you are going and what you are doing.

Our neutrality today is very effective insofar as that is concerned, but it was not effective when Castro was being built up.

Mr. SOURWINE. You made mention, sir, earlier of the present system of controlling the movement and assignments of Foreign Service officers. Do you have an alternative suggestion to make about how this could better be handled than it is now?

Mr. PAWLEY. Yes, I have always believed that any administration when coming into office, be it Republican or Democrat, that the Secretary of State would assign a noncareer man of his confidence to the job of appointments of Foreign Service officers, and of moving them from one place to another, at the time carefully examining the record of each in order that none of them reach critical areas where there has been any question about him in the past.

Senator DODD. How is it done now?

Mr. PAWLEY. Foreign Service officers do it.

(Discussion off the record.)

Mr. SOURWINE. Mr. Ambassador, you have made clear to us in your testimony your belief that many policies with respect to Latin America have been made in the State Department not at the top level but at a lower level. As you explained it, they are made on the fourth floor and not on the fifth floor.

Is there any question in your mind that this situation affects the internal security of the United States?

Mr. PAWLEY. Yes, I think it has a direct bearing on this Nation's security.

Mr. SOURWINE. Is it your judgment that it would be possible, through inquiry with such powers as this committee has, to pin down the responsibility for these decisions so that it was no longer the responsibility of some nameless group on a particular floor but so that it became the responsibility of certain named individuals? So that perhaps the situation might be dealt with regulatively or administratively?

Mr. PAWLEY. Yes, I think that would be most desirable.

Mr. SOURWINE. Do you think it could be done?

Mr. PAWLEY. Yes.

Mr. SOURWINE. With the Senate's power through proper intelligent inquiry?

Mr. PAWLEY. That I don't know. I have not had enough experience in government to know to what extent the Senate's prerogatives get into the management of a place like the Department of State.

Mr. SOURWINE. Would there be, in your judgment, a valuable purpose to be served in pinning the responsibility on individuals rather than on a faceless "they"?

Mr. PAWLEY. I think it is mandatory, I think it is more than desirable.

Mr. SOURWINE. That was the point I wanted to clear up.

(Discussion off the record.)

Mr. SOURWINE. You spoke, sir, in previous testimony, of the pressure of the liberal press on State Department policy with regard to Latin America?

Mr. PAWLEY. Right.

Mr. SOURWINE. Would you be able to give us a judgment as to how great a factor that is, or would you be able to give us a judgment as to whether the liberal press gets its clue from this faceless "they's" on the fourth floor or whether it is the other way around?

Mr. PAWLEY. Well, I think it works both ways. I think I testified earlier when working with the Foreign Relations Committee of the Senate on the wheat for India, which was the first one, \$200 million wheat bill, and I think it was somewhere around the early fifties, the Assistant Secretary told me to go ahead and work with the Foreign Relations Committee and that he would see that the press received favorable stories that they would like to put out which encourage proper decisions, so I believe that it works both ways.

Mr. SOURWINE. Who were the people you worked with during that period in the Department of State?

Mr. PAWLEY. I am submitting some of the names of the individuals with whom I have worked in and out of the Department of State during this period:

George McGhee, Assistant Secretary of State for either Middle Eastern Affairs or Southeastern Asian Affairs;

Elbert George McFall, Assistant Chairman of the Division of South Asian Affairs;

Mr. Matthews, Deputy to McFall;

Mr. Claxton of Mr. McGhee's division;

Mr. Barrett of the Voice of America.

I think they have certain people of the press with whom they communicate and that there are other people in the press that have friends, as an example, William Wieland and Matthews, who are extremely close friends and work together very closely. I don't know whether Smith testified to this, but Smith has told me that he was told by William Wieland to see Matthews before he departed for Cuba.

Senator HRUSKA. As a part of his briefing?

Mr. PAWLEY. As a part of his briefing.

Senator HRUSKA. And he did see him?

Mr. PAWLEY. And nothing could be a greater mistake.

Mr. SOURWINE. Ambassador Pawley, another loose end. You referred to Gustavo Duran and we have in the record now the memorandum which related to this. You referred to the fact that Gustavo Duran had been employed by the United Nations.

I presume you know that since 1946 he has been a special adviser in survey and research development to the Bureau of Economic and Social Affairs of the United Nations.

Mr. PAWLEY. No, I did not. I have lost track of that.

Mr. SOURWINE. Did you know that just a few weeks ago he was transferred and appointed a political officer in the section of the U.N. Secretariat dealing with the Congo affair?

Mr. PAWLEY. I not only didn't know it, but it is difficult for me to understand how these terrible decisions are made.

Mr. SOURWINE. Did you know that Gustavo Duran had been processed under Executive Order 10422, had had at least one loyalty board hearing and had been, as a result, rated eligible by the State Department on loyalty grounds in April of 1955?

Mr. PAWLEY. No, I certainly did not.

Mr. SOURWINE. Would you have any comment on that?

Mr. PAWLEY. Well, from my own knowledge of his history, it would seem most unwise to have him in any position in which damage to the United States is possible.

Mr. SOURWINE. Mr. Pawley, is there any subject concerning which you have testified with respect to which you would like to add anything to the testimony you have given?

Mr. PAWLEY. I don't believe so, Mr. Sourwine.

I tried to cover it as fully as I knew how.

Mr. SOURWINE. Is there anything you would care to tell the committee about what has been done that should not have been done or what might have been done better or should be done differently in the future?

Mr. PAWLEY. Well, I feel that the United States is at a great disadvantage because if we labor under the illusion or hope that our Latin American neighbors are going to like us then I think we are lost.

We have only one thing that we can aspire to as a nation and that is win their respect, and win it on the basis of fair dealing, firmness of decision, the protection of American interests without question, and you will win their regard, and with that we can go far.

But if we try to think that you can go to an OAS meeting, now or in the future—and I have said this many times and I have been saying this for 15 years—and expect the Latin Americans to vote for us where one of their own countries is involved, it is almost an impossibility. I don't think we should be in that position, and I, for one, would like to see us withdraw from the OAS as an active member, but sit in as Canada does—Canada is not a member—as an observer, to facilitate the many things that the United States could do to be of service to them, and we would not be constantly under attack, as an active member, as we are now.

Senator DODD. Would it be accurate to say that our position as a member also militates against our action in our own first and best self-interests?

Mr. PAWLEY. Of course.

Mr. SOURWINE. I wanted to ask this question, and perhaps it may be connected up at the proper point in the testimony.

Do the people, and as a separate part of the question, do the governments, of the Latin American countries believe Castro's denials that he had anything officially to do with the airborne invasion of the Dominican Republic?

Mr. PAWLEY. I don't believe there is a Latino who can read and write who is not familiar with the fact that he did have something to do with that.

Mr. SOURWINE. They know he has denied it publicly?

Mr. PAWLEY. Oh, yes, they know he had to do with it and they know also that he has had to do with attempts against many other Central American countries.

Mr. SOURWINE. I would like to ask a question off the record, if I may, sir.

Senator DODD. Off the record.

(Discussion off the record.)

The CHAIRMAN. On the record.

Mr. SOURWINE. I would like to read just one page of testimony by Gustavo Duran under oath, and ask you if you are in position

to shed any light on subjects he testified about. This was testimony given October 13, 1952.

Question. Do you know George Michanowski?

Mr. DURAN. Mr. George Michanowski, yes.

Mr. George Michanowski came to the State Department when I was assistant to Mr. Braden on the recommendation of Mr. Potofsky. My relationship with Mr. Michanowski was forced upon me. I was requested to receive Mr. Michanowski and I received Mr. Michanowski when I came.

Question. Who requested you?

Mr. DURAN. Mr. Braden. And I saw Mr. Michanowski. To tell you the truth I tried to avoid seeing Mr. Michanowski, if I could help it.

Question. Did you know he was a Communist?

Mr. DURAN. I don't know that.

Question. Then why did you avoid seeing him?

Mr. DURAN. Because I thought he was a charlatan and a busybody and my impression was that Mr. Michanowski was trying to, in his union, demonstrate how influential he was in the State Department and in the State Department how influential he was in his union. It was not the type of game that I particularly had respect for.

Question. In other words, he was using the State Department.

Mr. DURAN. He was trying to. He never did. I don't think he did.

Question. You said in the State Department he was trying to show how important he was.

Mr. DURAN. Yes, sir, that is what I say. He was trying to.

Question. He was trying to play both ends.

Mr. DURAN. Yes, sir, trying to play both ends. I suppose he was equally unsuccessful at the other end. At the State Department he was very unsuccessful.

Mr. PAWLEY. I don't know that I know anything specifically about that. It had been my feeling from what I did know that Duran came to Braden through Michanowski. And that Braden, Michanowski, and Duran worked as a team.

Mr. SOURWINE. Thank you, sir.

(Whereupon, at 2:55 p.m., the hearing was adjourned.)

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