

INVESTIGATION OF THE NATIONAL  
DEFENSE PROGRAM

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ADDITIONAL REPORT  
OF THE  
SPECIAL COMMITTEE INVESTIGATING THE  
NATIONAL DEFENSE PROGRAM

PURSUANT TO

S. Res. 71

(77th Congress; S. Res. 6, 78th Congress  
and S. Res. 55, 79th Congress)

RESOLUTIONS AUTHORIZING AND DIRECTING  
AN INVESTIGATION OF THE NATIONAL  
DEFENSE PROGRAM

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TRANSACTIONS BETWEEN  
SENATOR THEODORE G. BILBO AND VARIOUS  
WAR CONTRACTORS



JANUARY 2, 1947

Submitted, under authority of S. Res. 310, by Mr. Kilgore

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1947

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PROGRAM**

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January 2, 1947.—Ordered to be printed

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Mr. KILGORE, from the Special Committee to Investigate the National Defense Program, submitted the following

ADDITIONAL REPORT

[Pursuant to S. Res. 71, 77th Cong.; S. Res. 6, 78th Cong.; and S. Res. 55, 79th Cong.]

TRANSACTIONS BETWEEN SENATOR THEODORE G. BILBO  
AND VARIOUS WAR CONTRACTORS

INTRODUCTION

Allegations were made to the committee that Senator Theodore G. Bilbo, of Mississippi, had received certain sums of money and had accepted personal property and improvements to real estate owned by him from a number of contractors performing construction work for the United States Government in connection with the national defense program.

Upon instructions from the committee, a preliminary investigation was conducted as to these allegations. After presentation of the results of this preliminary investigation to the committee, on November 18, 1946, the committee decided to proceed with a full investigation. The chairman appointed a subcommittee consisting of Senator James M. Mead (Democrat, New York) as chairman and Senator James M. Tunnell (Democrat, Delaware) and Senator Homer Ferguson (Republican, Michigan), to conduct the inquiry. This subcommittee held executive hearings, and on November 23, 1946, announced that it would commence public hearings on Thursday, December 12, 1946.

At Senator Bilbo's request, the committee notified him of the nature of the allegations as then known to the committee and advised that it would be willing to subpoena, at committee expense, any witnesses suggested by him after the committee had satisfied itself that such witnesses would be able to present first-hand information as to the matters

before the committee. Prior to the hearing, no request was made by Senator Bilbo that the committee produce any witnesses other than those subpoenaed on the committee's own motion, which were stated by Senator Bilbo's attorney, Mr. Forrest Jackson, to be all of the witnesses known to Senator Bilbo or Mr. Jackson having knowledge of the matters under investigation.

The subcommittee convened on December 12, 1946, and remained in continuous session until December 19, 1946, hearing 44 witnesses and taking 564 pages of testimony and receiving 126 documentary exhibits. These exhibits, as well as the testimony which has been transcribed, are available for examination.

Senator Bilbo was at all times present during the conduct of these proceedings, together with his counsel, Mr. Forrest Jackson, and he testified under oath.

The committee made plain that its investigation was confined to the examination of Senator Bilbo's relations with war contractors. The committee did not concern itself with his controversies with any racial or religious minority groups, nor was it concerned with the propriety of the conduct of his recent election campaign, which has been the subject of an investigation by the Special Committee to Investigate Senatorial Campaign Expenditures, 1946. The committee, of course, took notice that Senator Bilbo's alleged conduct in connection with war contractors might have a bearing upon his fitness to serve as a Senator, but sought to confine itself, to the extent that it was possible, to the examination of his relation to national defense contracts.

During the course of the proceedings, certain matters developed in the testimony not directly related to war contracts, but which had a bearing upon the credibility and interest of witnesses, including Senator Bilbo himself. The committee explored these matters to the extent it considered appropriate, and in some cases did so at the request of Senator Bilbo.

#### SUMMARY OF FINDINGS

The evidence before the committee is clear and undisputed that Senator Bilbo assisted certain contractors in obtaining contracts for the construction of national defense installations in the State of Mississippi. Among these contracts were the cost-plus-fixed-fee contracts for the construction of the Camp Jackson Army Air Base, Jackson, Miss., by the M. T. Reed Construction Co., at a cost of \$2,639,983.84; the construction of the cantonment at Key Field, Meridian, Miss., by a joint venture consisting of A. B. Friend, Volz Construction Co., Rock City Construction Co., and Flint-Jordan Construction Co., at a cost of \$1,731,129.75; and the construction of the aviation mechanics training school, known as Keesler Field, Biloxi, Miss., by a joint venture consisting of the J. A. Jones Construction Co., B. L. Knost, and a copartnership of Newton & Glenn at a cost of \$13,967,005.15. A list of the War Department contracts involved in this case is set forth as appendix I.

The committee finds no impropriety in Senator Bilbo's assisting his constituents in obtaining and performing war contracts. The impropriety of Senator Bilbo's actions consists in the acceptance of gifts, services, and political contributions from these same contractors

whom he had aided. The committee is unable to accept the theory that Senator Bilbo's aid to those dealing in Government contracts and the benefits he received were unrelated.

Testimony and documentary evidence before the committee indicates that during the war period Senator Bilbo received substantial benefits from war contractors. He accepted as gifts a Cadillac sedan, valued at \$1,906.67, and house furnishings valued at \$500 or more. He also allowed war contractors to improve his estate at Poplarville, Miss., by constructing an artificial lake and island, a swimming pool, and by painting his home. The total cost of the foregoing improvements was at least \$6,658.40. The contractors billed Senator Bilbo for these services. However, Senator Bilbo has not made any payments for these improvements, other than an alleged \$200 on the painting bill, since the services were rendered in 1941 and 1942, nor have the contractors made any efforts to collect. The committee is convinced from the testimony and the circumstances that the benefits conferred on Senator Bilbo as improvements to his real estate, which Senator Bilbo and these war contractors now seek to treat as an indebtedness now payable by Senator Bilbo, were not bona fide transactions in the ordinary course of business, but, on the other hand, were an attempted subterfuge to conceal the donation of funds in payment for services rendered to them by Senator Bilbo. Also during the war period, Senator Bilbo allowed Michael T. Morrissey, a war contractor, to incur a loss of \$48,043.28 in the operation of Senator Bilbo's Mississippi farm lands.

In the summer and fall of 1942, Senator Bilbo received the sum of \$30,000 from three war contractors. These funds were said to have been used by an "informal" committee, of which Senator Bilbo was a member, in the 1942 political campaign of Wall Doxey, for the United States Senate in the Mississippi Democratic primary. The donation and solicitation of political contributions from Government contractors while they are negotiating or performing such contracts is prohibited by a Federal criminal statute (title 18, sec. 61m-1, U. S. C.).

In some instances, the war contractors in making political contributions and in making improvements on Senator Bilbo's estate, sought to charge the cost of such contributions and services as an expense on their books. Twenty thousand dollars of the F. T. Newton political contribution of twenty-five thousand dollars was originally charged directly to war contracts on the books of Newton & Glenn. These entries were changed on their books only after disallowance either by their own auditors or by Government agents. Five thousand dollars of this twenty-five thousand dollars was never located on the contractors' books.

Between February 24, 1943, and August 27, 1945, Senator Bilbo also collected from many persons, including war contractors, contributions amounting to at least \$27,501.51 for the building of a church parsonage on land owned by Senator Bilbo. At least \$7,300 of the foregoing total was collected from war contractors who had been aided by Senator Bilbo. The title to this parsonage still remains in Senator Bilbo, although the parsonage was substantially completed over 2 years ago. None of the war contractors contributing to the above-stated total of \$7,300 were residents of Poplarville, Miss., near which the Juniper Grove Baptist Church and parsonage are located; nor were they members of that church. The construction of this

parsonage was a personal, "philanthropic" enterprise of Senator Bilbo's. It was improper for him to utilize the aid he had given these war contractors as a means of inducing them to contribute substantial amounts to his personal charities, administered solely by him.

The evidence presented to this committee clearly indicates that Senator Bilbo improperly used his high office as United States Senator for his personal gain in his dealings with war contractors.

#### DETAILED DISCUSSION OF FACTS

In discussing the evidence produced in the committee's public hearings, it is helpful to consider the various transactions involved in this investigation in four separate categories, as follows:

1. Sums of money received by Senator Bilbo from war contractors, stated to have been used in the 1942 Mississippi senatorial campaign.
2. Gratuities or benefits received by Senator Bilbo from war contractors.
3. Funds paid by war contractors to Senator Bilbo for the construction of the Juniper Grove Baptist Church and parsonage.
4. Other matters not directly related to war contracts.

#### *1. Sums of money received by Senator Bilbo from war contractors, stated to have been used in the 1942 Mississippi senatorial campaign*

Senator Pat Harrison of Mississippi died on June 22, 1941. His term of office expired in January 1943. For the unexpired portion of his term, Wall Doxey, present Sergeant at Arms of the Senate, was among the candidates. Senator Bilbo and some of his friends, including Forrest Jackson, Robert Gandy, and A. B. Friend, aided Wall Doxey in this campaign and collected funds for campaign expenses. Wall Doxey was elected in the 1941 Democratic primary to the Senate to serve for the unexpired term of Senator Harrison.

In Mississippi, there were two Democratic primary elections in 1942. The first of these was held on August 25. The two candidates receiving the highest votes in this first primary then became the candidates in the second or run-off Democratic primary, which in 1942 was held on September 15. In the first Democratic primary in 1942, there were five candidates: Senator James O. Eastland, Wall Doxey, Ross A. Collins, Roland Wall, and Douglas Smith. Senator Doxey and Senator Eastland, being the two high candidates in the first primary, became the candidates in the second, or run-off primary.

On June 12, 1942, B. L. Knost, a member of the joint venture of Newton & Glenn, a partnership, B. L. Knost, and the J. A. Jones Construction Co. on the \$13,000,000 contract for the construction of Keesler Field at Biloxi, Miss., gave Senator Bilbo \$5,000. This \$5,000 was stated, both by Senator Bilbo and by B. L. Knost, to be a contribution to the campaign of Wall Doxey, then a candidate for election to the United States Senate in the first Democratic primary. The discussion preceding the delivery of this \$5,000 occurred at a dinner at the home of B. L. Knost, at which Senator Bilbo and Michael Morrissey, a subcontractor on the above-mentioned contract, were present. Senator Bilbo testified that he told Mr. Knost at this dinner meeting that they needed money for Wall Doxey's campaign, and, as a result, Mr. Knost gave him the check for \$5,000, one-half of which

he was to pay from his funds and one-half of which he was to pay from Michael Morrissey's funds, Loth Morrissey and Knost being engaged in a joint venture on work for the Government. The testimony is clear that this money was solicited by Senator Bilbo within the meaning of section 61 m-1 of title 18, United States Code.

In a letter dated September 3, 1942, A. B. Friend advised Mr. F. T. Newton, who was then at Greenville, Miss., that Senator Bilbo wanted Newton to meet him at the Royal Hotel, Jackson, Miss., on September 7. A copy of this letter is set forth as appendix II. On September 7, 1942, Newton attended a political rally at Jackson, Miss. This rally was said to be held for the purpose of stimulating interest in and collecting funds for Wall Doxey's campaign. Senator Bilbo was one of the speakers at the meeting.

After the meeting, on September 7, 1942, F. T. Newton of the firm of Newton & Glenn, one of the members of the co-venture mentioned above, delivered to Senator Bilbo four checks drawn by Newton, and made payable to Senator Bilbo on four different banks, totaling \$25,000. This money was a contribution to the second Mississippi Democratic primary campaign for the election of Wall Doxey to the United States Senate.

The Newton and Knost donations were contributed to the "informal" committee for the election of Wall Doxey in the 1942 United States senatorial campaign, which committee consisted of Senator Theodore G. Bilbo, Forrest Jackson, Robert Gandy, and A. B. Friend. The testimony discloses that no account of receipts and expenditures of this informal committee were ever filed with the State of Mississippi. It was contended by Forrest Jackson, attorney for Senator Bilbo, that the law did not require the so-called informal committee to make a report of receipts and expenditures in the campaign.

No complete accounting of the receipts and expenditures was maintained. Robert Gandy, however, one of the members of the committee, maintained a book of accounts of moneys received by him personally and his expenditure of those funds. Mr. Gandy's account book was received in evidence. This account book included funds received and disbursements made in both the 1941 and 1942 campaigns. This book did not disclose the receipt of the \$25,000 from F. T. Newton. This account book does show the receipt of \$5,000 from B. L. Knost in June 1942 but indicates that this \$5,000 check payable to Senator Bilbo was merely a loan to the campaign fund. Mr. Gandy could not recall why he made the notation in his account book to the effect that this \$5,000 check was a loan. Both Senator Bilbo and Mr. Knost testified that they considered this \$5,000 check to be an outright contribution to Wall Doxey's campaign.

The testimony of the other members of the committee, as well as Mr. Gandy, discloses that funds in addition to those contained in Mr. Gandy's account were received and disbursed by the other members of the committee, but none of them was able to state at the hearing any amount received by him individually, aside from Mr. Gandy, nor the total amount received and disbursed by the entire group.

Wall Doxey had a campaign committee under the direction of his campaign manager, Mr. Lee D. Hall. This committee filed an accounting of its receipts and expenditures and presented a detailed statement of receipts and disbursements in our public hearings.



The record clearly shows that Wall Doxey had no knowledge of the collection of \$25,000 from F. T. Newton for his 1942 campaign. He first learned of this contribution in October 1942, after the campaign was over.

Under these circumstances, it is impossible for the committee to ascertain whether or not all of the funds collected for the Doxey campaign were expended for this purposes. It was testified by some of the witnesses that a part of the funds were used to enlist the support of two of the defeated candidates in the first primary; namely, Roland Wall and Ross A. Collins. It was explained that it was a custom in Mississippi politics to pay the operating deficits of defeated candidates in the first primary to enlist the support of the defeated candidate and his organization in behalf of a particular candidate in the second or run-off primary. As previously stated, this 1942 run-off was a contest between Senator Eastland and Wall Doxey.

Mr. Roland Wall testified that he entered into an agreement with the informal committee to support Doxey in the second primary in consideration of the payment to him of \$8,000, the amount of his operating deficit. He also testified that he received out of this amount approximately \$6,000 and that he considered the balance of \$2,000 still owing to him.

With respect to Ross Collins, it was stated by Senator Bilbo, Forrest Jackson, and Robert Gandy that at a meeting with Ross Collins after his defeat in the first primary at Collins' suite in the Robert E. Lee Hotel in Jackson, Miss., Collins designated Cecil Travis to arrange for the payment of funds for the support of Wall Doxey by the Collins' organization, and that subsequently arrangements were made with Travis to enlist the aid of the Collins' organization for the sum of \$11,000, which was paid to Travis.

Collins, supported by his secretary, Lura Harrison, denied that any such agreement was made and denied that any deficit existed. Collins denied that Travis had been authorized by him to enter into any such arrangement for the support of Wall Doxey by the Collins' forces, and, on the contrary, he, Collins, had stated publicly, as well as individually, to his supporters that they were at liberty to support whatever candidate they pleased in the second primary. Collins' position on this subject is supported by Travis, as well as by two other witnesses to the conference, Charles Snow and George Butler.

Cecil Travis admitted receiving \$11,000, but stated that it was not for the payment of the Collins' operating deficit, but for expenditures in Wall Doxey's campaign in the second primary, computed on the basis of \$100 each for the organizations in the 82 counties of Mississippi, plus \$3,000 for the operation of State headquarters. Travis states that he delivered the \$11,000 to Phil Kimball, who Travis stated delivered it to the various county organizations. Kimball is dead.

Aside from the book of accounts kept by Robert Gandy and the records of the checks which were paid, very little documentary evidence exists from which it can be ascertained precisely who were the contributors or what amounts were received in contributions by the so-called informal committee. Likewise, it is not possible to determine the amounts expended, and to whom these funds were paid, and for what purpose. For the most part, the funds were handled in cash without a record being made.

The committee is, therefore, unable to find with certainty whether or not the funds received from war contractors and others were, in fact, completely expended for the Wall Doxey campaign.

It is, however, clear that at least \$30,000 of the funds received by Senator Bilbo for the informal committee were paid by war contractors. This fact makes pertinent a Federal statute passed July 19, 1940, designed to prohibit Government contractors from contributing to political campaigns. Senator Bilbo, although only a member of a four-man committee, in his own words was a good "collector" of campaign funds, and on his own admissions and testimony the committee concludes that he solicited the \$5,000 from B. L. Knost and the \$25,000 from F. T. Newton.

Title 18, section 61m-1, of the United States Code, provides as follows:

61m-1. CONTRACTS WITH UNITED STATES; CONTRIBUTIONS BY CONTRACTORS PROHIBITED.—(a) No person or firm entering into any contract with the United States or any department or agency thereof, either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof, or selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, shall, during the period of negotiation for, or performance under such contract or furnishing of material, supplies, equipment, land, or buildings, directly, or indirectly, make any contribution of money or any other thing of value, or promise expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; nor shall any person knowingly solicit any such contribution from any such person or firm, for any such purpose during any such period. Any person who violates the provisions of this section shall, upon conviction thereof be fined not more than \$5,000 or imprisoned not more than five years.

(b) Nothing in this section shall be construed to permit any action which is prohibited by any provision of law in force on the date this section takes effect (July 19, 1940, c. 640, § 5, 54 Stat. 772).

The purpose of this statute was to remove, or at least minimize, one source of corruption in politics. It was precisely this sort of activity in connection with the national defense program which the Senate created this committee to investigate and expose.

The committee has had occasion to consider this statute previously. It has been impressed upon the committee that the statute is limited in its application to those who contribute funds and those who knowingly solicit funds, but is silent as to those who knowingly accept or receive such illegal contributions. The committee considers this an important loophole in the law and calls the existence of this defect to the attention of the Senate.

2. *Gratuities or benefits received by Senator Bilbo from war contractors*

The evidence establishes that Senator Bilbo has received from war contractors benefits of value which are set forth as follows:

Date	Name of war contractors	Nature of benefit	Minimum value	Maximum value
1941.....	M. T. Reed.....	Painting Dream House No. 1.....	\$1,790.79	\$1,790.79
Do.....	M. T. Morrissey.....	Artificial lake and island.....	3,672.91	34,500.00
Dec. 24, 1941.....	do.....	Cadillac sedan.....	1,906.67	1,906.67
Dec. 25, 1941.....	Several contractors and others.....	Furnishings for Dream House No. 2.....	500.00	1,000.00
April 1942.....	John R. Junkin.....	Swimming pool.....	1,194.70	1,500.00
1942-45.....	M. T. Morrissey.....	Operation of Bilbo's farm property.....	48,023.98	48,023.98
Total.....			57,089.05	88,721.44

Senator Bilbo has admitted the receipt of a Cadillac car and furniture for Dream House No. 2 as Christmas gifts. The remainder of the foregoing benefits, with the exception of the operating loss of approximately \$48,000 expended by Michael T. Morrissey in his operation of Senator Bilbo's farm for 4 years, were all stated by Senator Bilbo to be items which he owes. All of the foregoing benefits were conferred prior to January 1943, at which time Senator Bilbo filed with the Federal Land Bank of New Orleans a financial statement in connection with a rearrangement of his loan with that bank, in which he failed to mention any of the foregoing items as debts owed by him.

For the excavation of the 15-acre lake surrounding the island on which Dream House No. 2 is built, Contractor Michael T. Morrissey submitted a bill for \$3,672.91. Morrissey testified that this did not include any charge for the use of his construction equipment; that if he had charged Senator Bilbo at the same rate he charged the Government, there would have been an additional charge of \$5,500, or a total of approximately \$9,000 for this work.

Col. John L. Person of the Corps of United States Army Engineers testified that the fair cost, without a profit, for excavating work of the character done by Morrissey would be 20 cents per cubic yard, and, with a profit included, 22 to 23 cents per cubic yard. Morrissey testified that in creating the 15-acre lake, he moved from 150,000 to 165,000 cubic yards of earth. Computed on the basis of the figures given by the Corps of Engineers and Morrissey's testimony, the value of the excavation work to create the lake would have run from \$34,500 to \$37,950.

For pouring the concrete for the swimming pool on Senator Bilbo's estate in April 1942 the St. Catherine Gravel Co., Inc., sent a bill to Senator Bilbo for \$1,194.70. This bill was marked "Paid in full—St. Catherine Gravel Co., Inc.," when it was mailed to Senator Bilbo. Mr. John R. Junkin, president of the St. Catherine Gravel Co., Inc., testified that if a profit on this work were included in the bill, it would have run about \$1,500. Mr. Junkin testified that regardless of the fact that the bill was marked "Paid in full," he did not consider the bill paid, but merely that it had been transferred from the account of the St. Catherine Gravel Co., Inc., a corporation, to the personal account of himself and his brother, sole owners of the corporation. Senator Bilbo has paid nothing on this bill, nor has the St. Catherine Gravel Co., Inc., nor Mr. Junkin made any effort to collect it.

Although the books of the St. Catherine Gravel Co., Inc., reflect that this pool was paid for in cash by Senator Bilbo on May 28, 1942, the corporation listed the cost of this pool as a gift in its 1942 Federal income-tax return. This deduction was subsequently disallowed by income-tax agents in 1946. Mr. Junkin testified that the swimming pool was listed as a gift on his corporate tax return as the result of a bookkeeper's error. At the time Mr. Junkin worked on the swimming pool for Senator Bilbo, his corporation was working on a half-million dollar Government contract at Keesler Field.

In the spring of 1941 Mr. M. T. Reed, a war contractor, painted Senator Bilbo's dream house No. 1 and sent him a bill for \$1,790.79. Both Mr. Reed and Senator Bilbo claim that this is a debt which Senator Bilbo owes and Reed testified that he has made no effort to collect it. However, Senator Bilbo testified that this year he sent

Mr. Reed 400 pounds of pecans from his farm for which he credited \$200 against the painting bill.

Mr. Reed testified that he wrote off this account as a bad debt in 1941 and sought to take advantage of it in connection with his Federal income-tax return. However, this deduction was subsequently disallowed by the Bureau of Internal Revenue.

Senator Bilbo testified that the statute of limitations in Mississippi outlawed debts on open account, such as those for the lake, swimming pool, and paint job after 3 years. Three years has run since all of the foregoing items were furnished and the debts are therefore uncollectible by law. Senator Bilbo testified that notwithstanding this perfect legal defense to any action brought by these war contractors to collect the alleged indebtedness, it was not his practice, to take advantage of that defense, and that he would pay these debts some time when he was able.

In addition to the foregoing improvements on Senator Bilbo's estate, he also, at Christmas time in 1941, received a new Cadillac sedan as a Christmas present from Michael T. Morrissey. This automobile was purchased by Morrissey at a cost of \$1,906.67 and is said by Morrissey and admitted by Senator Bilbo to be an outright gift.

Also at Christmas in 1941, certain household furnishings for use in dream house No. 2 were presented to Senator Bilbo by several friends, including B. L. Knost, F. T. Newton, and John R. Junkin, who were war contractors. Edward P. Terry, who purchased these furnishings, estimated their value at approximately \$1,000. He testified that the contributions he collected were insufficient to pay the cost of the furniture and that he, together with Robert Gandy, borrowed \$500 from the Deposit Guaranty Bank & Trust Co., of Jackson, Miss., on December 23, 1941, for the purpose of defraying the balance of the cost of the furniture. On July 29, 1942, this \$500 note was paid by M. T. Reed, a war contractor, who was advised that the money was originally borrowed by Terry and Gandy for the benefit of Senator Bilbo. Reed has never sought to recover this \$500, nor has Senator Bilbo acknowledged it as a debt.

From 1942 through 1945, Michael T. Morrissey, under an agreement with Senator Bilbo, operated Senator Bilbo's farm properties under an oral agreement whereby Morrissey was to pay all operating expenses and in the event the farm operation showed a profit he was to split this profit 50-50 with Senator Bilbo and in case the operation showed a loss, Morrissey was to absorb all losses. Morrissey's records reflect that during this 4-year period, he lost a total of \$48,023.48 in this operation.

This farm arrangement seems to be extremely unusual. The farm accounts show the expenditures to be extremely high in view of the amount of income received. Morrissey testified that he took advantage of these losses in his income-tax returns with the effect that approximately 80 percent of the losses were, in effect, paid by the Government, since he was in the 80 percent income-tax bracket.

The committee has been unable to ascertain the exact extent of the benefit to Senator Bilbo arising from this farm operation. Taxes approximating \$1,000 a year were paid by Morrissey for 3 years and were included in his operating losses. Substantial amounts were expended on fertilizer. Pay rolls appear to be excessive in view of the

income from sales. For example, in the year 1943 the total income from the sale of produce was \$7,276.83, together with \$3,351.08 received as AAA conservation benefits paid by the Federal Government. The total gross income for 1943 was \$10,627.91. In this same year, the pay roll was \$10,777, exceeding the total gross income by over \$100. A much more detailed examination of the farm books and records, as well as witnesses, would be required to ascertain accurately the benefit received by Senator Bilbo from these extensive losses by Michael T. Morrissey under an oral agreement which, in itself, does not savor of the usual business transaction.

Under the circumstances, the committee is not convinced by the explanation that the foregoing benefits received by Senator Bilbo from various war contractors were either pure Christmas gifts or ordinary business transactions, as Senator Bilbo now claims. The explanations now offered, in the judgment of the committee, do not ring true, in the light of the conduct of the parties in the years intervening between the receipt of the benefits and the time of the committee's hearing. The committee considers the claims now made as a mere subterfuge manufactured for the occasion of this committee's hearing.

The committee considers Senator Bilbo's acceptance of expensive gifts and donations of personal property and the acceptance of improvements to real estate, provided by contractors who have profited out of their work for the Government in the war effort, to be an illegal practice in violation of existing Federal statutes.

### *3. Funds paid to Senator Bilbo for the construction of the Juniper Grove Baptist Church and parsonage*

Senator Bilbo lives near Poplarville, Miss., where he owns a large tract of land. He is a member of the Juniper Grove Baptist Church, the church property adjoining his property. Since 1942 Senator Bilbo has solicited funds which he stated to be for the construction of the Juniper Grove Baptist Church and parsonage. These solicitations were made both orally and in letters. Included among the persons solicited were a number of war contractors.

On February 24, 1943, Senator Bilbo opened a special bank account at the Bank of Commerce, Poplarville, Miss., in which he deposited donations received for this parsonage. He had sole authority to draw on this church fund and was the only person who drew on this account. The evidence indicates that he refused to allow church officials to have access to the fund or information concerning it. From February 24, 1943, to August 27, 1945, Senator Bilbo deposited \$27,501.51 in this account. As of August 15, 1946, he had withdrawn all but \$1,285.38. There is no evidence that he used this fund for anything other than the construction of the parsonage and minor repairs to the church; however, from available books and records it is not possible to determine what disposition was made of all of these funds. Construction of the parsonage was begun in 1943 and was substantially completed 2 years ago. This parsonage is built on property owned by Senator Bilbo which is adjacent to the church property. It is a brick veneer structure with eight bedrooms and five baths.

The property upon which the parsonage is located is part of a tract of land which Senator Bilbo had previously mortgaged to the Federal Land Bank of New Orleans and the Bank of Commerce, Poplarville,

Miss. On December 11, 1946, the Federal land bank released the parsonage property consisting of about 4 acres from its first mortgage securing Senator Bilbo's indebtedness and on November 19, 1946, the Bank of Commerce released the parsonage property which had been part of the security for Senator Bilbo's loan from that bank.

The bank records reflect that at least \$7,300 of the parsonage fund collected by Senator Bilbo was obtained from war contractors whom he had assisted. It is not possible from available records to determine whether an additional part of the contributions to this fund were also made by war contractors. However, none of the war contractors who are known to have contributed the \$7,300 to the parsonage fund are residents of Poplarville, Miss., or members of the Juniper Grove Baptist Church.

Reverend D. Wade Smith became pastor of the Juniper Grove Baptist Church on October 22, 1944. He testified before the committee that the parsonage at that time was practically completed, but that he did not move into it. In fact, the parsonage has never been occupied. Reverend Smith and some of the church members sought to have the parsonage completed, since there was relatively little work to be done, but were unsuccessful. In the fall of 1945, Reverend Smith built his own house some 2 miles from the church and according to his testimony it has been only in the last 6 weeks that any substantial amount of work has been done on the parsonage during the entire period that he has been the pastor of the Juniper Grove Baptist Church.

During the period of the committee's investigation, certain steps have been taken by Senator Bilbo, such as the afore-mentioned release of the mortgages on the parsonage property and the preparation of a deed, and Reverend Smith testified that he now expects to move into the parsonage on January 1, 1947, and that formal dedication of the parsonage and the church is being planned for April 27, 1947.

The committee has no evidence that the funds collected for this parsonage by Senator Bilbo have been used for any other purpose.

Although Senator Bilbo was a member of the finance committee and the building committee of the Juniper Grove Baptist Church, he had sole control of the funds which he collected for the parsonage and exclusive title to the property on which it was built. The construction of this parsonage was a personal, philanthropic enterprise of Senator Bilbo's. It was improper for him to utilize the aid he had given these war contractors as a means of inducing them to contribute substantial amounts to his personal charities, administered solely by him.

#### 4. *Other matters not directly related to war contracts*

(a) *The Shushan note.*—Preliminary information received by the committee indicated that a \$3,000 note owed by Senator Bilbo to Abraham L. Shushan, of New Orleans, La., was expected to be paid off by war contractors. This information was received from Edward P. Terry, former secretary to Senator Bilbo.

On July 21, 1938, Abraham L. Shushan, of New Orleans, La., lent Senator Bilbo \$3,000 for which he took a note signed by Senator Bilbo and endorsed by Grant Stewart, of New Hebron, Miss. This loan to Senator Bilbo was for the purpose of helping to settle his financial

obligations to his recently divorced wife. Subsequently in January 1939 Senator Bilbo contacted J. P. Wenchel, chief counsel of the Bureau of Internal Revenue in an attempt to get the Government to accept an offer in compromise of \$40,000 to settle an \$80,000 tax liability of Shushan's. The Bureau refused to settle and eventually collected in full.

The testimony concerning Shushan's demands for repayment of this note is in conflict. Some of the witnesses testified that in 1940 Shushan, who was then under prison sentence in connection with a Federal mail fraud violation, or his representatives had indicated that if the note was not promptly paid by Senator Bilbo, it would be turned over to Hugh White, who was then a candidate against Senator Bilbo in the senatorial race of 1940. Mr. Edward P. Terry testified that Senator Bilbo told him that Shushan never intended to be paid back if Bilbo was successful in assisting Shushan in his pending difficulties with the Federal Government. Shushan denied both of these statements.

This \$3,000 note was paid on July 15, 1940. The funds for its payment were supplied as follows:

\$750 from Forrest Jackson, attorney at law, Jackson, Miss.

\$750 from Robert Newton, president, Bank of Commerce, Poplarville, Miss.

\$750 from Grant Stewart, merchant, New Hebron, Miss.

\$750 from Edward P. Terry.

Senator Bilbo paid Grant Stewart the \$750 which Stewart had advanced and Forrest Jackson paid Edward P. Terry the amount which Terry had advanced. Stewart is now dead.

Forrest Jackson, although not a war contractor, did participate in the premium for binder insurance on Keesler Field through his law firm, which received a total of approximately \$900, which Jackson split 50-50 with his partner. Jackson's law firm also represented A. B. Friend, Volz Construction Co., Rock City Construction Co., and Flint-Jordan Construction Co. in connection with their contract for the construction of Key Field at Meridian, Miss.

Both Robert Newton and Jackson testified that they had made no efforts to collect from Senator Bilbo the money which they had paid on his note to A. L. Shushan, and Senator Bilbo has paid them nothing on this account.

(b) *The narcotics charge.*—Wholly aside from the matter of war contracts, a matter was injected into the proceedings by the witness, Edward P. Terry, which, out of justice to those involved in the charge, the committee was required to explore.

This charge, in substance, was that in the summer of 1945, Senator Bilbo received from one John A. Carr, an aged drug addict, of Natchez, Miss., through Dr. A. J. Podesta, of Vicksburg, Miss., the sum of \$1,500, and that Senator Bilbo interceded with Harry J. Anslinger, Commissioner of Narcotics, to obtain the consent of the Bureau of Narcotics to the sale of 2 grains of morphine daily to Mr. Carr by Dr. J. G. Logan, of Natchez, Miss.

Senator Bilbo testified that at the request of Dr. Podesta, who was his close friend and personal physician, he presented the facts of this narcotic matter to Mr. Anslinger. However, Senator Bilbo denied that he received any money either for himself or for the Juniper Grove Baptist Church from Dr. Podesta, or any other person in connection with this case.

Mr. Anslinger testified that he called at Senator Bilbo's office on October 11, 1945, read a letter to Senator Bilbo from Dr. Podesta and certificates by Dr. Podesta and Dr. Logan attached to the letter. On the basis of those documents Mr. Anslinger concluded that the request made of him was justified, and on that date wrote a letter to Dr. Logan stating that the Bureau of Narcotics had no objection to the sale of 2 grains of morphine daily to Mr. Carr.

From the testimony of Mr. Anslinger, it would appear that not only from his examination of the doctors' certificates which he read in Senator Bilbo's office, but also from an independent investigation by an agent of the Bureau of Narcotics, the request of Mr. Carr was wholly justified and would have been granted without the intercession of Senator Bilbo.

The testimony of disinterested witnesses who had interviewed Dr. Podesta, one an agent of the Bureau of Internal Revenue and one an investigator for this committee, corroborated the testimony given by Mr. Terry to the effect that Carr, through Dr. Podesta, had paid at least \$1,000 to Senator Bilbo.

Dr. Podesta told two special agents of the Internal Revenue Bureau who interviewed him jointly on April 30, 1946, and told an investigator of this committee on October 18, 1946, that in the summer of 1945 he had received from Mr. Carr the sum of \$1,000, which he (Podesta) paid to Senator Bilbo at the Walthall Hotel in Jackson, Miss. Dr. Podesta told these agents that in a conversation with Mr. Carr he (Podesta) had mentioned that Carr might pay the funds to Senator Bilbo as a contribution to the Juniper Grove Baptist Church parsonage fund. The two internal revenue agents interviewed Mr. Carr on May 1, 1946. Carr stated to them that he did not consider the money paid to Senator Bilbo as a contribution to the Juniper Grove Baptist Church parsonage fund, but as a payment to Senator Bilbo for services rendered.

On December 20, 1946, Dr. Podesta was reinterviewed by an investigator of this committee and at that time he furnished a notarized statement to the investigator setting forth his recollection of the facts in this case. In his statement, which is set forth as appendix III, Dr. Podesta said that after the Bureau of Narcotics had granted permission to prescribe narcotics for Mr. Carr, Carr called upon Dr. Podesta and told him he wanted to do something for Senator Bilbo. According to Dr. Podesta, he told Carr that Senator Bilbo was endeavoring to complete the church and parsonage of the Juniper Grove Baptist Church. Mr. Carr then gave Dr. Podesta \$1,000 to be given to Senator Bilbo for the Juniper Grove Baptist Church fund. Dr. Podesta states that a day or two later he met Senator Bilbo at the Royal Hotel in Jackson, Miss., and gave him the ten \$100 bills which had been turned over to him by Mr. Carr. At that time Dr. Podesta told Senator Bilbo that the \$1,000 was for the church fund.

Mr. John A. Carr was also interviewed by a committee investigator at Natchez, Miss., on December 22, 1946, and executed a statement in his own handwriting concerning this matter. This statement is set forth as appendix IV. Mr. Carr in this statement says that 3 or 4 weeks after Dr. Logan had received permission from the Bureau of Narcotics to administer narcotics to him he, Carr, called upon Dr. Podesta to thank him for what he had done. At that time Mr.



Carr said he gave Dr. Podesta ten \$100 bills for Senator Bilbo's church fund.

In a written statement dated December 22, 1946, Dr. J. G. Logan, of Natchez, advised the committee investigator that in August 1945 he gave Mr. Carr a statement as to his physical condition and need for a small amount of narcotics. Dr. Logan further stated that in October 1945, he received a letter from the Bureau of Narcotics granting him permission to prescribe morphine for Mr. Carr. Dr. Logan says he has no knowledge concerning any financial transactions in connection with this narcotics matter. A copy of Dr. Logan's statement is set forth as appendix V.

The bank statement for the Juniper Grove Baptist Church special fund by Theodore G. Bilbo discloses that the deposits for the year 1945, and up to August 22, 1946, were as follows:

Jan. 8, 1945.....	\$50
May 10, 1945.....	200
Aug. 27, 1945.....	2,000
Do.....	100

The committee possesses a photostatic copy of a deposit slip evidencing the \$2,000 deposit on August 27, 1945, showing that it is composed of the following items:

Michael T. Morrissey.....	\$500
R. D. Sanders of Jackson, Miss.....	1,000
A. B. Friend.....	500

Senator Bilbo testified that all contributions for the church and parsonage were deposited in the above-mentioned special account in the Poplarville Bank of Commerce.

It is difficult for the committee to express an opinion on this charge. Although it has no direct bearing upon the awarding or administration of war contracts, this collateral episode, having been injected into the committee's proceedings, had to be explored at once because of the possible unfair implications and inferences resulting from the receipt of this testimony in public hearing, not only as to the integrity of Mr. Anslinger and the Bureau of Narcotics, but as to Senator Bilbo himself. For this reason, the committee proceeded promptly to obtain the facts, which, in part, had already come to its attention during the preliminary investigation and ascertained that the charge concerning this conduct on the part of Senator Bilbo was supported by information presented to the committee. Having obtained these facts, the committee feels obligated to call them to the attention of the Senate.

\* \* \* \* \*

This report has been approved by the following Senators: Harley M. Kilgore, West Virginia; James M. Mead, New York; Owen Brewster, Maine; Joseph H. Ball, Minnesota; Homer Ferguson, Michigan; and William F. Knowland, California.

Senator Tom Connally, of Texas, does not approve the report.

Senator James M. Tunnell, Delaware, does not approve or disapprove the report, inasmuch as he was not present at all of the committee hearings on this matter and has not reviewed the testimony taken at the hearings. He takes no action on the further ground that he will not be a Member of the Senate when possible final action is taken concerning Senator Bilbo's conduct.

Senator Frank P. Briggs, of Missouri, who was not a member of the subcommittee, does not approve or disapprove, as he heard none of the testimony.

# APPENDIX

## APPENDIX I

### Corps of Engineers, contract data—Prime contracts and subcontracts

Contract date	Name and address of contractor	Contract No.	Job	Original contract amount	Negotiations starting date	Owner, partnership, or corporation	Starting date	Completion or acceptance date	Final payment date	Total paid
7/28/41	F. T. Newton, Hattiesburg, Miss.	W-569-eng-2615, ERA No. 49.	Rental of bandsaw .....	\$25.00	(*)	Individual .....	7/1/41	5/9/42	12/8/42	\$31.67
5/24/43	do .....	W-569-eng-5071...	Greenville, Miss., Army Airfield, construction of buildings.	30,171.62	* 5/19/43	do .....	(*)	10/8/43	7/10/45	29,252.48
5/24/43	do .....	W-569-eng-5072...	Construction of one all-purpose recreation building, Key Field, Meridian, Miss.	30,433.32	5/19/43	do .....	5/24/43	9/15/43	7/10/45	29,803.40
5/24/43	do .....	W-569-eng-5074...	Construction of one all-purpose recreation building and conversion of facilities for WAAC company, Jackson Army Air Base, Jackson, Miss.	39,168.32	5/15/43	do .....	5/25/43	10/9/43	7/10/45	41,410.90
6/13/41	J. A. Jones Construction Co., Charlotte, N. C., and Newton, Glenn & Knost, Hattiesburg, Miss.	W-569-eng-2615...	Construction of aviation mechanics training school, Keesler Field, Biloxi, Miss.	11,748,620.00 + 265,000.00	* 6/11/41	Corporation, partnership, individual.	6/13/41	4/11/42	7/15/43	13,967,005.15
1/23/42	Newton, Glenn & Knost Hattiesburg, Miss.	W-1106-eng-5614...	Additional construction, Key Field, Meridian, Miss.	122,861.80	1/13/42	Individual .....	4/1/42	8/27/42	6/27/44	144,365.88
3/27/42	Newton & Glenn, Hattiesburg, Miss.	W-612-eng-779...	Camp Campbell, Tenn., construction of mobilization buildings.	1,813,999.00	No record.	Partnership .....	4/—/42	1/—/43	3/—/43	1,332,418.52
5/26/42	do .....	W-1106-eng-5875...	Greenville, Miss., Army Airfield, additions and improvements to utilities, construction of buildings, etc.	736,361.26	* 5/26/42	do .....	6/—/42	11/2/42	7/31/43	830,584.12
8/5/42	do .....	W-569-eng-4194...	Laurel, Miss., Army Air Base, housing facilities.	653,018.54	* 8/ 1/42	do .....	8/—/42	8/4/43	5/16/45	906,057.52
8/10/42	Felix T. Newton and Frank S. Glenn, Hattiesburg, Miss.	W-1106-eng-6143...	Rohwer Relocation Center, Desha County, Ark., construction of 34 buildings.	505,000.00	No record.	Joint contractors and co-adventurers.	8/11/42	3/31/43	6/1/43	521,045.95
	Total. Newton and associates.	.....	.....	.....	.....	.....	.....	.....	.....	17,801,975.59

See footnotes at end of table, p. 18.

## Corps of Engineers, contract data—Prime contracts and subcontracts—Continued

Contract date	Name and address of contractor	Contract No.	Job	Original contract amount	Negotiations starting date	Owner, partnership, or corporation	Starting date	Completion or acceptance date	Final payment date	Total paid
4/28/42	B. L. Knost, Pass Christian, Miss.	W-1106-eng-5830.	Construction of service roads, Key Field, Meridian, Miss.	\$37,145.30	4/27/42	Individual	5/4/42	6/17/42	7/29/42	\$33,256.94
5/9/42	do	W-1106-eng-5850.	Construction of ordnance storage facilities, Key Field, Meridian, Miss.	80,240.75	5/9/42	do	5/9/42	8/26/42	7/15/43	78,038.55
5/27/42	do	W-1106-eng-5876	Temporary buildings and utilities, Key Field, Meridian, Miss.	1,088,990.49	5/27/42	do	5/27/42	2/2/43	7/15/43	1,223,206.47
7/16/42	do	W-1106-eng-6006.	Construction engineering shop, dental clinic, etc., Key Field, Meridian, Miss.	195,567.00	7/16/42	do	7/20/42	5/26/43	8/16/43	221,234.04
12/21/42	do	W-569-eng-4628.	Construction Air Corps squadron hangar, Jackson Army Air Base, Jackson, Miss.	39,500.00	12/15/42	do	12/23/42	5/15/43	8/7/45	43,213.42
1/19/43	do	W-569-eng-4711.	Subdepot facilities, Key Field, Meridian, Miss.	37,779.25	1/18/43	do	1/21/43	8/7/43	12/10/43	50,512.76
1/13/43	do	W-569-eng-4693.	Construction commissary building, Key Field, Meridian, Miss.	20,894.18	1/11/43	do	1/15/43	5/31/43	8/18/43	29,341.09
2/27/43	do	W-569-eng-4826.	Additional temporary construction, Key Field, Meridian, Miss.	192,774.10	2/25/43	do	2/27/43	1/15/44	8/7/44	267,823.00
4/16/43	do	W-569-eng-4956.	Construction of 8 officers' quarters and 3 lavatories, Key Field, Meridian, Miss.	33,795.50	4/15/43	do	4/20/43	7/16/43	9/24/43	33,650.05
4/24/43	do	W-569-eng-4980.	Greenville, Miss., Army Airfield, erection of structures.	4,257.72	4/22/43	do	( <sup>3</sup> )	6/1/43	8/16/43	3,977.73
8/12/43	do	W-569-eng-5283.	Range facilities, Gulfport and Keesler Fields, Miss.	212,032.20	7/30/43	do	8/27/43	3/2/44	4/1/44	231,123.18
3/21/41	B. L. Knost Co., Pass Christian, Miss.	W-1106-eng-5253, Sub. No. 27.	Installation of steam distribution system, Meridian Air Corps project, Meridian, Miss. (Key Field).	82,589.00	( <sup>3</sup> )	do	6/11/41	1/3/42	1/28/42	88,806.10
7/29/42	Morrissey & Knost, Vicksburg, Miss.	W-1106-eng-6066.	Construction of perimeter taxiways, Key Field, Meridian, Miss.	122,909.15	7/28/42	Individual and individual.	8/3/42	12/12/42	5/15/43	107,548.98
9/30/42	do	W-1106-eng-6383.	Construct outfall sewer and extension to sewage collection system Key Field, Meridian, Miss.	56,200.50	9/29/42	do	10/3/42	11/14/42	1/23/43	51,635.75

1/1/43	do	W-569-eng-4672	Paving and drainage, additional post roads, Key Field, Meridian, Miss.	22,481.00	12/26/42	do	1/5/43	5/1/43	8/13/43	24,463.50
	Total (Knot and associates).									2,487,831.56
2/20/41	Mike T. Morrissey, Vicksburg, Miss.	W-1106-eng-5151 Sub. No. 10 (ERA).	Rental of construction equipment.	(10)	(?)	Individual	4/1/41	5/10/41	7/7/41	2,047.50
3/1/41	do	W-1106-eng-5151 Sub. No. 20 (ERA).	do	(10)	(?)	do	4/1/41	4/19/41	6/5/41	2,807.25
3/15/41	do	W-1106-eng-5151 Sub. No. 28 (ERA).	do	(10)	(?)	do	4/2/41	4/28/41	6/5/41	513.00
4/8/41	do	W-1106-eng-5253 Sub. No. 20 (ERA).	do	(10)	(?)	do	4/8/41	8/13/41	9/20/41	10,599.89
5/7/41	do	W-1106-eng-5253 Sub. No. 19 (ERA).	do	(10)	(?)	do	6/1/41	6/24/41	8/7/41	3,120.00
5/21/41	do	W-1106-eng-5253 Sub. No. 21 (ERA).	do	(10)	(?)	do	6/1/41	6/18/41	8/11/41	2,412.00
6/23/41	do	W-569-eng-2615 ERA No. 3.	Rental of saddle horses	(11)	(?)	do	6/1/41	8/12/41	11/8/41	460.00
6/23/41	do	W-569-eng-2615 ERA No. 4.	Rental of construction equipment.	(10)	(?)	do	7/1/41	2/16/42	2/16/42	3,181.06
6/23/41	do	W-569-eng-2615 ERA No. 5.	do	(10)	(?)	do	6/1/41	12/15/41	2/18/42	96,706.21
7/1/42	do	W-1106-eng-5972	Rental of equipment at Key Field, Meridian, Miss.	(12)	7/1/42	do	7/2/42	8/5/42	9/12/42	1,928.00
7/8/41	do	W-1106-eng-5253 Sub. No. 28 (ERA).	Rental of construction equipment.	(10)	(?)	do	7/8/41	8/13/41	9/20/41	8,919.66
8/5/41	do	W-569-eng-2615 ERA No. 46.	do	(10)	(?)	do	8/1/41	2/28/42	3/20/42	18,576.30
	Total, Morrissey									151,270.87
6/28/43	Roy V. Doughty, Columbus, Miss.	W-569-eng-5196	Floodlights at Jackson Army Air Base, Jackson, Miss.	603.50	6/21/43	Individual	7/5/43	9/1/43	8/20/43	559.72
3/21/41	Alfred B. Friend, Volz Construction Co., Rock City Construction Co., Flint-Jordan Construction Co., Jackson, Miss.	W-1106-eng-5253	Construction of cantonment, Key Field, Meridian, Miss.	{ 1,518,090.00 * 63,175.00 }	* 3/11/41	Individual, co-partners, individual.	4/3/41	8/15/41	11/10/41	1,731,129.75

See footnotes at end of table, p. 18.

Corps of Engineers, contract data—Prime contracts and subcontracts—Continued

Contract date	Name and address of contractor	Contract No.	Job	Original contract amount	Negotiations starting date	Owner, partnership, or corporation	Starting date	Completion or acceptance date	Final payment date	Total paid
5/19/43	Glenn & Hamilton, Hattiesburg, Miss.	W-659-eng-5059	Greenville, Miss., Army airfield—addition to AAF warehouse building.	\$31,223.85	<sup>1</sup> 5/17/43	Partnership....	(4)	8/23/43	11/1/43	\$31,196.16
1/10/41	{ M. T. Reed Construction Co., Belzoni, Miss.	} W-1106-eng-5151.	{ Construction of Camp Jackson Army Air Base, Jackson, Miss. (fixed fee).	{ 1,459,710.00 62,000.00 }	<sup>12</sup> 12/31/40	.....do.....	2/3/41	6/25/41	1/11/43	2,639,983.84
2/22/45	.....do.....	{ W-01-076-eng-951.	{ Construction of additional facilities, Mississippi Ordnance Plant, Flora, Miss.	{ 831,996.00 23,160.00 }	2/21/45	.....do.....	3/6/45	9/4/45	8/30/46	1,083,449.06
	Total, Reed Construction Co.									3,723,432.90
3/20/42	Mississippi Plumbing & Heating Co., Meridian, Miss.	W-1106-eng-5779.	Plumbing at Key Field, Meridian, Miss.	4,965.00	3/20/42	Partnership....	3/20/42	3/31/42	5/14/42	4,965.00
	Grand total.....									25,932,361.55

- <sup>1</sup> Per month.
- <sup>2</sup> Dates negotiations started not available as subcontracts negotiated by prime contractors.
- <sup>3</sup> Date of opening of bids.
- <sup>4</sup> Complete information not available.
- <sup>5</sup> Date of request for authority to award.
- <sup>6</sup> Fixed fee.
- <sup>7</sup> Date of contract.
- <sup>8</sup> Date of request for authority to negotiate.
- <sup>9</sup> Date of quotation from contractor.
- <sup>10</sup> Various unit prices.
- <sup>11</sup> \$1.25 per day each.
- <sup>12</sup> \$6 and \$8 per hour.

## APPENDIX II

SEPTEMBER 3, 1942.

Hon. F. T. NEWTON,  
*Care of Greenville Hotel, Greenville, Miss.*

DEAR FELIX: Senator Bilbo called me from Washington last night and asked me to get in touch with you and ask you to meet with us next Monday afternoon, September 7.

Senator will be here in the Royal or down at the Edwards and will be very much disappointed if you are unable to see him at that time.

With kindest personal regards, I am

Sincerely your friend,

(Signed) A. B. Friend,  
A. B. FRIEND,  
Room 300, Royal Hotel.

ABF/m.

## APPENDIX III

FRIDAY, DECEMBER 20, 1946.

I, Dr. A. J. Podesta, make the following voluntary statement to Joseph M. Mannix, member of the general counsel staff of the United States Senate War Investigating Committee. This statement is made by me voluntarily and without any threats or promises.

I have known John C. Carr all my life. I was born and reared in Natchez and went to high school with his two brothers in Natchez, Miss.

From my records, which I am using to refresh my memory, I have had the following professional contact with Jack Carr:

On August 8, 1944, Jack visited me in Vicksburg for examination and treatment. My examination on August 8, 1944, showed that he was suffering from multiple neuritis and arthritis. He was given by me at this time vitamin B tablets and darthernol. He returned to my office in Vicksburg August 20, 1944, at which time I prescribed the same treatment.

On April 16, 1945, he returned to my office for treatment. The diagnosis at that time was arthritis, cardiac hypertrophy, and chronic morphinism. He was sent to the Vicksburg Infirmary April 1945. At the infirmary he was treated for arthritis and neuritis and, at this request, he was given a reduction treatment from morphine, which the chart at the Vicksburg Infirmary will bear out.

On April 22, 1945, according to my office records, he returned to my office April 22, 1945, at which time he was given a prescription of vitamin B 10 mg. salicynal and gell tabs, 50,000 units vitamin D to the capsule.

Subsequently, Carr was treated at the infirmary and his next visit to my office was June 25, 1945. At this time he was given a prescription of vitamin B<sub>1</sub>, 1 cc. daily hypodermically, 100 mg. to the cubic centimeter.

On October 8, 1945, I treated him in my office for coryza—head cold—he was given a cough sirup.

I have not treated Carr at any other time except 1921 and 1922 when he came to my office at Natchez and, to the best of my knowledge, he was suffering from arthritis and neuritis.

Carr, by his statement to me and to the best of my knowledge, had made several attempts in institutions to break the narcotic habit, twice that I know of personally, when I treated him at the Vicksburg Infirmary. He claimed that after each of these treatments that he took, that in a short time the arthritis and neuritis pains returned and that he suffered from shortness of breath. After the first time I had him in the Vicksburg Infirmary he was given the reduction treatment for the morphine habit, of which he had taken only small doses. He, on returning to me, stated that the arthritis and neuritis pains were so severe that he tried to relieve them by drinking alcoholic intoxicants. He was admitted by the Vicksburg Infirmary again for treatment on ——— for acute alcoholism. I suggested to him to allow me to give him the reduction treatment again for this narcotic habit but he said he could not take it as he was suffering too much and he left the institution. Some time later he came to me and asked me if it was possible for him to get a Government permit to procure enough morphine to relieve his suffering. I told him that I was under the impression that if he could get two or three licensed physicians to certify that he needed a certain amount I thought the Narcotic Division would grant this permit. When he returned he told me that the doctors who had treated him for years were either dead or in the Army. He said there was one doctor in Natchez, who had treated him, who had agreed to give him the certificate. He later brought the doctor's certificate to me and, to

the best of my knowledge and belief, the doctor certified that due to arthritis and neuritis and the cardiac condition, and, I think, an asthmatic condition that he, the doctor, felt that this man should have morphine to relieve his suffering and the condition of his health, and I concurred in that opinion. And also taking into consideration the man's age, the length of time in this condition, his numerous attempts to overcome the morphine habit, and the small amount he asked for daily, I felt I was justified in certifying, with the doctor in Natchez, that he should have this small amount daily. I asked him how much it would take for him to keep himself comfortable and he replied 2 or 3 grains. A small amount like this for an addict of 45 years' duration was out of the ordinary.

Mr. Carr asked me if it was possible, through my influence, to get Senator Bilbo to expedite the getting of this permit for him. I told him I would be very glad to take the matter up with Senator Bilbo and ask the Senator to do what he could in his behalf. Later I contacted the Senator's office for Jack Carr. I am not sure but I believe I contacted Ed Terry.

When Carr returned to Vicksburg and told me he had gotten his permit, and said that he wanted to do something for Senator Bilbo, and asked me what he could do, I told him that Senator Bilbo was endeavoring to complete the church and parsonage at his home, and Carr gave me \$1,000 to give to Senator Bilbo for the Juniper Grove Baptist Church and parsonage.

A day or so later I heard that Senator Bilbo was in Jackson. I drove to Jackson, went to the Royal Hotel, went up to his room, where there were two or three other men in the room with him, whose names I do not know. Those present were strangers to me. I had the money (\$1,000) in an envelope in 10 \$100 bills. I put the envelope either on the bed or the dresser and said to Senator here is something I was given for the church funds and I left the room. To the best of my knowledge and belief the Senator left the next morning for his home in Poplarville or for Washington, D. C.

I wish to state there was no money arrangement made with Carr at any time by me, that Carr voluntarily came up and asked me if he could do something for Senator Bilbo for the assistance the Senator had given him in securing the permit.

I received only \$1,000 from Carr. I never did tell Terry that I received any money, especially \$1,500, from Jack Carr or anyone.

My intention in the beginning was to help Carr, to relieve him from some of his suffering and to get him a permit where he could go to a reputable physician in Natchez and get 2 grains of morphine a day that Dr. Logan and I felt that he needed to maintain his health and comfort.

I did not inform Senator Bilbo who gave me the \$1,000 for the Juniper Grove Baptist Church and parsonage fund because the men in the room were strangers. To the best of my knowledge and belief, I have not informed Senator Bilbo, to this day, who gave this money to me for the Juniper Grove Baptist Church and parsonage.

To my knowledge, I remember when Senator Bilbo sent letters of appeal for his church to his friends in Vicksburg. I collected some of this money. However, I do not remember the names at this minute of those people who gave me small donations which I sent to the Senator in Washington by mail.

Mr. Ed Terry was a patient in the Vicksburg Infirmary for X-rays, electrocardiogram, and some other diagnosis tests. He later was in my home 5 or 6 days resting up. I, at no time, told Ed Terry that I received any money, especially \$1,500, from Jack Carr or anyone else in Natchez.

As to the time I gave the money to Senator Bilbo I am not certain but I do know that Jack Carr came to me in Vicksburg and told me that he had received a permit from the Government for 2 grains of morphine per day. I kept the money in my safe for a couple of days and then I learned that the Senator was in Jackson so I made a trip to Jackson and delivered the contribution to him.

I have read the foregoing statement and it contains a true statement of facts to the best of my knowledge and recollection.

(Signed) A. J. Podesta,  
Dr. A. J. PODESTA, M. D.

Subscribed and sworn to before me this 21st day of December 1946.

[SEAL]

(Signed) JOS. J. GERACHE,  
Notary Public.

My commission expires December 7, 1947.

The foregoing is a true and accurate transcription from my notes.

(Signed) Rena E. Brown,  
RENA E. BROWN,  
Public Stenographer.

## APPENDIX IV

The following statement was obtained from John A. Carr, of Natchez, Miss., on December 22, 1946, by Joseph M. Mannix, investigator for the Special Committee Investigating the National Defense Program. This was executed in longhand by Mr. Carr:

I am 63 years of age; have been user of drugs for 35 years at least, during which time I have taken cures a number of times, twice at Covington, La., Youngs Sanatorium, once in New Orleans, once in Jackson State Hospital pay ward, twice in Vicksburg, treatment by Dr. A. J. Podesta. After each time my trouble with short-breathing arthritis and other troubles coming back so I could not stand it. I left hospital on second treatment, but later came back asking if something could not be done for me. Dr. Podesta stated he thought the law was if I could get two or more physicians that had treated me give me a letter stating my condition he would try and help me. I got a letter from Dr. Logan, of Natchez, who had treated me a number of times.

I then went back to Vicksburg showing Dr. Podesta the letter, and he promised to help me. I came back to Natchez, and some time later Dr. Logan told me he had received a permit to treat me. I was glad to hear it as I could not dress myself unassisted. Some 3 or 4 weeks after I received the permit I went back to Vicksburg to let Dr. Podesta see how I was getting along and to thank him for the great favor he had done for me and what I could do to show my gratitude for what he done, and I of my own free will suggested I make a donation to the Juniper Grove Baptist Church. Knowing from reading about it that Senator Bilbo was interested in building it, I, of my own free will, wrapped up a thousand dollars in cash from my pocket (10 one hundred bills and gave it to Dr. Podesta for a donation to this church) I don't know Senator Bilbo only by sight. I never had any conversation with him in regards to money about anything before or after any permit being issued me.

I was born and raised in Natchez. It was not my life's saving I gave, as I was in cafe (Gem) for 27 years and some many years were very good years. Also had one-third interest with two brothers in laundry business, but in later years my health got so bad I decided to quit.

I am no rich man at present, but I have paid income taxes in the past, and will pay one this year 1946.

I live within my means, but I have always paid my way as anyone in Natchez will say for me.

I am a personal friend of Dr. Podesta, both born and raised in Natchez. Went to school together, he in grades below me. He has never charged me for any services due to friendship. This is why he taken special interest in me.

(Signed) JNO. A. CARR,  
Natchez, Miss., December 22.

No one has contacted me in regards this matter lately.

## APPENDIX V

J. G. LOGAN, M. D.,  
Natchez, Miss., December 22, 1946.

Mr. JOSEPH M. MANNIX,  
*Investigator for United States Senate Special Committee  
Investigating the National Defense Program.*

Mr. John Carr is a man approximately 65 years of age but older in senility. I have been acquainted with him for about 20 years and have treated him professionally for the past 5 or 6 years.

His physical condition is poor. He suffers from a severe bronchial condition, arterial hypertension, myocardial weakness, and a very severe type of recurrent arthritis. He has been an addict for years. He has made numerous attempts at treatment at various places for said addiction, all of which were unsuccessful due to his physical weakness.

In August 1945, Mr. Carr requested that I give him a statement as to his physical condition as he wanted to try to get permission for a small amount of narcotic sufficient to keep him on his feet. I gave Mr. Carr this statement. In October 1945, a letter from the Bureau of Narcotics was received stating that sufficient evidence had been submitted indicating a medical need of morphine for



Mr. Carr and that the Bureau had no objection to same being prescribed for him. Since that time, I have given Mr. Carr weekly prescriptions for morphine.

I am not sufficiently acquainted with Mr. Carr's financial affairs to give an estimate of his financial condition. As far as I know, he has always paid his obligations.

As to a questioned exchange of money supposedly to have taken place about this time, I have no knowledge whatsoever.

(Signed) J. G. Logan,  
J. G. LOGAN, M. D.

JGL:ML

## PUBLISHED REPORTS

The Special Committee Investigating the National Defense Program, United States Senate, pursuant to Senate Resolution 71 (77th Cong.), authorizing and directing an investigation of the national defense program.

Report No. 480 (77th Cong., 1st sess.):

- Part 1—Aluminum.
- Part 2—Camp and Cantonment Construction.
- Part 3—Priorities and the Utilization of Existing Manufacturing Facilities.
- Part 4—Statement of Committee Policy.

\* \* \* \* \*

Report No. 480 (77th Cong., 2d sess.):

- Part 5—Annual Report of Committee Investigations.
- Part 6—Light Metals, Aircraft, and Other Matters.
- Part 7—Rubber.
- Part 8—Conversion to War Production Program of War Production Board.
- Part 9—Conversion Program, War Production Board. (Accompanies pt. 8.)
- Part 10—Investigation in Connection with Senator Albert B. Chandler's Swimming Pool in Kentucky.
- Part 11—Manpower.
- Part 12—Shipbuilding at the South Portland Shipbuilding Corp.
- Part 13—Gasoline Rationing and the Fuel Oil Situation.
- Part 14—Lumber.

\* \* \* \* \*

Report No. 10 (78th Cong., 1st sess.):

- Part 1—Barges.
- Part 2—Farm Machinery and Equipment.
- Part 3—Interim Report on Steel.
- Part 4—Second Annual Report.
- Part 5—Renegotiation of War Contracts.
- Part 6—Labor.
- Part 7—Concerning Faking of Inspections of Steel Plate by Carnegie-Illinois Steel Corp.
- Part 8—Shipbuilding and Shipping.
- Part 9—Conflicting War Programs.
- Part 10—Aircraft.
- Part 11—Comparative Merits of Rayon and Cotton Tire Cord.
- Part 12—Outlines of Problems of Conversion From War Production.
- Part 13—Transportation.
- Part 14—The Canol Project.

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Report No. 10—(78th Cong., 2d sess.):

- Part 15—Investigations Overseas: Section I—Petroleum Matters.
- Part 16—Third Annual Report.
- Part 17—Magnesium.
- Part 18—Merchant Shipping.
- Part 19—Ream General Hospital.
- Part 20—Accumulation of Surpluses.

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Report No. 110 (79th Cong., 1st sess.):

- Part 1—Disposal of Surpluses Other Than Industrial Plants.
- Part 2—Investigations Overseas.
- Part 3—Aircraft—Conditions at Curtiss-Wright Corp., Buffalo, N. Y., Plants.
- Part 4—Fourth Annual Report.

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Report No. 110 (79th Cong., 2d sess.):

- Part 5—Investigations Overseas—Surplus Property Abroad.
- Part 6—Aircraft—Production, Development, and Research.
- Part 7—Fifth Annual Report.