

Benton - McCarthy Case

952-10-01

1 October 1952

MEMORANDUM FOR THE RECORD

A copy of General Smith's statement to the Press was given to Mr. William H. Jackson this date, for hand-delivery to Governor Alfred E. Driscoll, New Jersey, per Mr. J. S. Earman.

DR

Orig - Exec. Reg.
1 - DCI's Reading File
1 - Director's Correspondence File ✓

C O N T E N T S

Monday, September 29, 1952

<u>Witness:</u>	<u>Direct</u>	<u>Cross</u>	<u>Redirect</u>	<u>Recross</u>
General Walter Bedell Smith	2		11	

E X H I B I T S

<u>Defendant's</u>		<u>For Identification</u>
No. 1	Photograph.	33

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

JOSEPH R. McCARTHY, - - - - -
Plaintiff
v.
WILLIAM BENTON,
Defendant.
- - - - -

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Civil Action No. 1335-52

Washington, D. C.

Monday, September 29, 1952

Deposition of General Walter Bedell Smith, a witness of lawful age, taken on behalf of the defendant in the above-entitled action, wherein Joseph R. McCarthy is the plaintiff and William Benton is the defendant, pending in the United States District Court for the District of Columbia, pursuant to subpoena, before Lloyd L. Harkins, a notary public in and for the District of Columbia, in the Statler Hotel, Washington, D. C. at 3:00 o'clock p.m., Monday, September 29, 1952.

APPEARANCES:

On behalf of the plaintiff:
Warren E. Magee

On behalf of the defendant:
Davis, Polk, Wardwell, Sunderland & Kiendl,
By Theodore Kiendl and
Van Arkel and Kaiser,
By Gerhard P. Van Arkel.

Thereupon,

GENERAL WALTER BEDELL SMITH

a witness of lawful age, was duly sworn and, being examined by counsel testified as follows:

DIRECT EXAMINATION

By Mr. Kiendl:

Q General, will you give us your full name and address?

A Walter B. Smith, 4400 Garfield Street, Washington, D. C. general, ~~of the~~ United States Army.

Q And, General, are you attending here today pursuant to a subpoena served upon you?

A I am.

Q Do you know, General, that your deposition is being taken here in a lawsuit now pending in the federal court here in Washington, wherein one Senator McCarthy, the junior senator of Wisconsin, is the plaintiff and one William Benton, the junior senator from the State of Connecticut, until recently, is the defendant?

A I so understand.

Q Do you understand, General, that in connection with that lawsuit, Senator McCarthy is suing to recover, I think it is, two million dollars damages for libel and slander and for conspiracy?

A I am not familiar with the amount or the circumstances of the suit. I am simply familiar with the fact that there is a suit for damages, and so forth. I don't know the circumstances

Q For libel and slander, did you know that?

A I knew it generally.

Q Now, at any time, General, were you the ambassador of the United States to the Russian Government, the Soviet Union?

A I was, from the spring of 1946 to the spring of 1949.

Q And during that time, and fulfilling the duties of that high office, did you spend a lot of time in Moscow?

A The majority of the time.

Q During the time that you were serving as ambassador from the United States to the Soviet Union, did there come a time when the so-called Marshall Plan was enacted into law?

A Yes; it was first discussed and later enacted into law during the time that I was ambassador.

Q And you were generally familiar with the course of discussions and knew about the enactment of the legislation when it finally went through Congress and was approved by the President?

A I was.

Q That Act is known as the Economic Cooperation Act of 1948 and it was approved in the early part of 1948. We refer to it as the Marshall Plan. You understand that?

A I do.

Q Now, in the performance of your duties as ambassador, did you attempt to observe and find out as much as you could regarding the reaction of the Russian authorities, the Kremlin,

to the enactment of the Marshall Plan and its administration?

A I did.

Q And will you give us your estimate of what that reaction was as the result of what you observed and learned?

A At first there was a brief period of uncertainty on the part of the Russians, not, I believe, as to their general opposition, which was inevitable, but as to the tactics to be followed.

As I recall it, and I have no memorandum --

Q I don't think the gentlemen back there can hear you, General.

A I said that at first I believed there was a brief period of uncertainty on the part of the Politburo, not as to their opposition to the plan itself, which I believe to have been inevitable, but as to the tactics to be followed.

As I recall it, it was early in June of 1947 that the so-called Marshall Plan was first proposed in a speech by General Marshall at Harvard University.

About the middle of June, I believe, Mr. Bevin went to Paris and conferred with Mr. Bideault. As the result of that conference the two of them invited a representative of the Soviet Union to confer on the implementation of the plan.

Mr. Magee: Excuse me, General. Were you at these conferences?

The Witness: I was not. I was ambassador in Moscow. I was

familiar with what transpired as the result of the correspondence which I received from Washington and London.

Mr. Magee: I object to this line of testimony as being generally incompetent, irrelevant, and immaterial, and based on hearsay.

Mr. Kiendl: You may proceed, General.

The Witness: I was informed from Washington that this invitation had been issued to the Kremlin and for a period of several days no reply was made by the Russians.

At that time I reported to Washington that, in my opinion, this indecision on the part of the Kremlin was as to whether they would participate in the discussion for the purpose of sabotaging or whether they would refrain from participation and directly oppose the plan from its inception.

Subsequently, Mr. Molotov and a staff of about 75 or 80 assistants went to Paris and after a brief period there, withdrew and returned to Moscow. At that time, the Soviet Union officially announced its opposition to the plan.

Observation and analysis of those **maneuvers** led us to the conclusion that the Soviet Union had decided to oppose completely and without cover of participation.

By Mr. Kiendl:

Q Have you finished, General?

A I have.

Q Did that condition, so far as you observed it, in

your capacity as ambassador, continue from then on until you completed your ambassadorship?

A It did. It became more acute, **culminating**, as far as my observation went, in the visit of Mr. Masaryk and Mr. Gotwald, to Moscow, at which time Mr. Masaryk informed me, in a private conversation, that he had been directed by the Politburo to withdraw their acceptance of the invitation.

Q For the purpose of the record, General, tell us who Masaryk was?

A Mr. Masaryk was the foreign minister of Czechoslovakia.

Mr. Magee: My objection runs to this entire line. I will not repeat it.

Mr. Kiendl: All your objections are reserved until the time and place of trial.

Mr. Magee: Thank you.

By Mr. Kiendl:

Q Now, General, I want to ask you a few questions about a speech that the plaintiff in this case, Senator McCarthy, made in the Senate on the 14th day of June, 1951, in connection with what purported to be an attack on General Marshall.. Senator McCarthy stated in the course of that speech, and I quote from the Congressional Record from page 6745:

"The result of using the Marshall Plan instead of the Forrestal Plan in Europe has been to make us the patsy of the modern world and to arouse the contempt and suspicion of Europe."

Can you tell us, General, whether or not, as the result of your experience in this diplomatic post, that you found the result of using the Marshall Plan did make us the patsy of the modern world in any sense whatever?

A Does that statement stand of itself? I mean, is that the full context?

Q No. That is the first part of what I read.

A So far as that statement is concerned, if it stands of itself, it is incorrect, in my opinion.

Q Then I ask you, General, whether as the result of your experience in in this diplomatic post that you held, you found anything to convince you that the use of the Marshall Plan resulted in rousing the contempt and suspicion of Europe against our country?

A I did not. On the contrary, as a matter of fact, one of my Western European Colleagues stated to me, with the greatest of feeling, on one occasion, that the Marshall Plan was, in his opinion, a stroke of genius. Insofar as I am able to assess it, I agree.

Q Whatever assessment you make of it, General, is predicated upon your actual experience, your observation, and the information that came to you in your official capacity while you were ambassador to Moscow?

A It is.

Q Now, in the course of that same speech on June 14, 1951, the plaintiff, in this case, Senator McCarthy, stated

in connection with the Marshall Plan:

"In fact, the overall plan was to build up the area economically and keep it defenseless from a military standpoint."

Was that your understanding of the Marshall Plan, General?

A Will you repeat that, please?

Q (Reading)

"In fact, the overall plan was to build up the area economically and keep it defenseless from a military standpoint."

The area referred to being Western Europe.

A The overall purpose of the plan was to build it up economically and keep it defenseless from the military standpoint? You wish me to comment on that statement as it stands?

Q Yes. I want to ask you, General, whether you agree with that statement, whether that was the overall plan, the overall Marshall Plan, to keep the countries of Western Europe defenseless from a military standpoint?

A I do not. I would comment on that in two ways:

In the first place, as a professional soldier, it is incorrect to say that, or to imply that there can be any sound defense which is not based on the sound economy.

In the second place, I think the purpose of the plan, as I have been able to analyze it, is to build up that basis of sound economy on which any sound defense must be predicated.

Consequently, I think the statement is incorrect.

Q In the course of that statement to Congress, Senator McCarthy on June 14, 1951, also said:

"Of all Marshall's significant endeavors since the early months of World War II, the derelicting of the Forrestal Plan ranks next, I should judge, to the Marshall Policy for China in its massive helpfulness to the world ambitions of the Kremlin."

Have you any comment to make on that statement as the result of your observations and experience?

A I am sorry, but I know nothing of the Forrestal Plan, so-called, so I cannot comment.

Q Well, I ask you, General, whether you observed anything or learned anything, to the effect that the Marshall Plan, as we have been discussing it, at any time in your opinion, proved to be of any helpfulness whatever to the world ambitions of the Russian Soviet Government?

A No, sir. To the contrary.

Q General, in the course of this speech of Senator McCarthy, he also said, and I quote:

"How can we account for our present situation unless we believe that men high in this Government are concerting to deliver us to disaster. This must be the product of a great conspiracy, a conspiracy on a scale so immense as to dwarf any previous such venture in the history of man; a conspiracy of

infamy so black that when it is finally exposed its principals will be forever ~~deserving~~ of the maledictions of all honest men."

Now, without reading the entire speech, General, will you assume that the reference to this great conspiracy includes references to General Marshall, and will you tell us whether or not, as the result of your experience during the time you were the ambassador to Russia, you saw any evidence whatever of any act or conduct on the part of General Marshall which could be described as a conspiracy of the nature that Senator McCarthy described, or any other character whatever ?

Mr. Magee: I object to the form of the question and reserve all rights of objection.

Mr. Kiendl: Yes.

The Witness: I don't know that I can answer that question unless you agree that what I am being asked is to assume that the implication -- I haven't read this -- that the implication is that General Marshall was part of a conspiracy as described in the paragraph that you have read to me.

Is that the question?

By Mr. Kiendl:

Q That is exactly the implication I want you to take from the question.

A If that is the implication, then it is completely false.

Q One final question, General: From your experience

and observation will you tell us what, in your opinion, was the integrity and loyalty, or the lack of integrity and loyalty to the United States, of General Marshall?

A Well, you are asking the molehill to comment on the mountain. However, I will answer your question. Of all the men that I have known, ^{and} during the last ten or fifteen years I have known most of the great ones of our time, I know of no one who exceeds, and few who equal General Marshall in the characteristics of loyalty, honesty, and integrity.

Mr. Kiendl: You may examine, if you care to.

CROSS EXAMINATION

By Mr. Magee:

Q General Smith, as I listened to your testimony, I gathered that you consider the Soviet Government, an international conspiracy, to be an enemy of the United States ?

A Indeed I do.

Q How would you class the Soviet international conspiracy as a danger to the United States today, is it a mild one or is it a great one?

A Generally a great one.

To answer your question specifically would require that I go into evaluation of time which I cannot do because it is classified information.

Q Then I think you agree with Secretary Acheson that the Soviet danger today is one of the greatest dangers that

the United States faces?

A Well, I arrived at that conclusion on my own observation, but if that is Secretary Acheson's viewpoint, which I assume it is, yes.

Q Don't you know it is his viewpoint, General? Do you know that is his viewpoint?

A I have never asked him.

Q Have you read his testimony before the Congress on that point?

A I have not.

Q So that you do not know what the present attitude of the Secretary of State of the United States is as to the Russian danger?

A I can only answer you as to the present attitude of the United States Government. Not of individuals.

Q I am asking you specifically, General, about the Secretary of State.

A As far as I know, Mr. Acheson so considers it.

Q How do you know that, General?

A From my observation of the policies of the United States Government as translated in various documents which I am not at liberty to discuss.

Q When did you first realize that this Soviet danger was a great danger to the United States?

A It is very difficult for me to give you a date, hour,

and minute. I should say that it was a growing realization. In common with most of our people, who had been under illusions during the early days of our co-belligerency with the Soviet Union. Specifically, I began to realize the latent hostility, the basic hostility of the Soviet Union during the early days of the campaign in North Africa.

Q Give us that date and year. In what year was that, General?

A That was in 1943.

Q 1943. Prior to 1943, did you know that there was an international Soviet conspiracy which aimed at the overthrow of the United States Government by force and violence?

A Communists, yes.

Q Communists.

A Yes.

Q And did you know that the control of that conspiracy, or at least one of its loci, was in this Kremlin that you speak about?

A I had heard it said, but, as a matter of fact, paid little attention to that, since I was occupied specifically with other things and was specializing.

Q Had you engaged in any intelligence work in the Army of the United States prior to taking over your occupation as head of the CIA?

A I had.

Q And in the course of that intelligence work, had you ever seen any confidential reports that disclosed the existence of such conspiracy?

A No. My intelligence work began with my entry into the army in the first World War and was combat intelligence exclusively.

Q Was there any indication in those intelligence reports of the danger of that Soviet conspiracy?

A No. What I dealt with was exclusively combat intelligence. Combat intelligence has to do with the order of battle, equipment and the tactical operations of the enemy which confronts you. That, in those days, was the Germans.

Q Well, you are now satisfied, are you not, General, that there is an international Communist conspiracy which seeks to overthrow the United States by force and violence?

A I am, indeed.

Q When did you come to that conclusion?

A Specifically -- are you asking me to be specific?

Q Yes.

A In the days immediately following the Armistice, and since you have asked the question that way, I must elaborate by saying that I went through a period, as many other people did, of thinking it possible that the leopard might have changed its spots, because I think many other people thought so too, that we might, there might be a way of working out a modus

vi vendi with the Communists countries.

You see, I had not, at that time, studied Marx or Stalin.

Q Were you cognizant of this conspiracy during the period of time when you were ambassador to Moscow -- which was the period --

A March 1946 to March 1949. Yes.

Q Now, knowing of the existence of such a conspiracy, General, do you think it is dangerous to the interests of the United States to have in positions of importance, let us say, in the State Department of the United States, either Communists or fellow travelers?

A Dangerous?

Q Is it?

A Decidedly.

Q And as a military man, as the present head of the Central Intelligence Agencies of the United States, you would recommend the ferreting out of those Communists and fellow travelers, and relieving them of their duties in positions of trust in the Government of the United States, would you not, sir?

A I would.

Q If you, yourself, knew of the existence of these people in positions of employment of the United States, you would take affirmative steps, would you not, General, to remove them?

A I would.

Q You know Senator Benton in this case?

A I do.

Q How well do you know him?

A Fairly well.

Q What do you mean by "fairly" General? Is he a friend of yours?

A He is an acquaintance with whom I had certain official contacts during the time that he was Assistant Secretary of State and I was Ambassador in Moscow.

Q And he was Assistant Secretary of State while General Marshall was Secretary of State, is that right, 1947?

A For a time, yes.

Q Now, how long have you **been** the head of our Central Intelligence Agency?

A Since October 7th, 1950.

Q I assume as the head of that agency, you have attempted to familiarize yourself with the situations as they existed in the United States in respect to whether or not the armed services, the State Department and other Government agencies are infiltrated with Communists, have you not, General?

A I have not.

Q It is not the function of your agency to acquaint itself with whether or not there are any Communists in the Army?

A It is not. *That* it is prohibited by law.

Q Your agency cannot investigate then whether or not

there are any Communists in the Army of the United States?

A It cannot.

Q Let me ask you this: Do you favor having Communists or fellow travelers commissioned in the Army of the United States?

A I do not.

Q Do you know Marshall's views on that subject?

A I do.

Q Is it your contention that he favored or disfavored fellow travelers having commissions in the Army of the United States?

A He disfavored it.

Q Why was it when he was Commander in Chief that they were permitted to have commissions over the recommendations of the House Committee?

A I do not know.

Q What?

A I do not know.

Q You do not know?

A No. I am not aware that they were, but if they were, I do not know.

Q You do not know that it was pointed out by the House Military Affairs Committee that there were Communists commissioned in the Army of the United States over its protests?

A I do not.

Q That happened while Marshall was Chief of Staff.

A I do not know..

Q You don't know that?

A No. You must remember that I was engaged abroad ~~from~~ --
for most of ~~almost to~~ the period that General Marshall was Chief of Staff.

Q Did you ever see the directive on the subject?

A I did not.

Q You don't know even of the existence of such a directive?

A I do not.

Q If Marshall issued the directive permitting Communists to be commissioned in the armies of the United States, what would be your explanation?

A I would have no explanation. If you told me that General Marshall had specifically issued a directive which permitted in words "Communists" to be commissioned in the Army of the United States, I would be inclined to disbelieve you.

Q How about pro-Communists or what the Army would consider as bad security risks?

A Have you a copy of it?

Q I am asking you.

A I would prefer not to answer hypothetical questions.

Q Let me ask you this: Don't you know from your experience as ambassador to Moscow, which was during the period of time -- strike that.

You worked, did you not, during the time when you were Ambassador to Moscow, as an officer of our State Department?

A I did.

Q Did you learn -- strike that.

Don't you know as a fact, that in 1947 the State Department was infiltrated with Communists?

A I do not.

Q Would you agree, in the period of General Marshall's administration, with the accuracy of this statement, page 55 of the deposition of Senator Benton:

"I know there was Communists in the State Department."

Do you agree that that is a correct statement?

A I would.

Q You would or wouldn't?

A I would agree that it is a correct statement.

Q So that you believe with the Senator that there were Communists in the State Department of the United States?

A I do. I believe there are Communists in my own organization.

Q Do you know them?

A I do not. I wish I did. I do everything I can to detect them, but I am morally certain, since you are asking the question, that there are. I believe that they are so adroit and adept that they have infiltrated practically every security organization of Government in one way or another. And it is our function to detect them where possible

Q I read further:

"There is no doubt that Communists did infiltrate in the

State Department and this was well known in 1945."

Do you agree with that?

A I would be inclined to think it is true.

Q Assuming that you knew the names of Communists in your organization, General, what would you do about it?

A The law gives me specific authority and powers over the people in my own organization. I do not care to discuss it but I would act immediately to eliminate them.

Q And I ask you the further question, that if a similar situation existed in the State Department, don't you feel that the same action should be taken?

A I do.

Q In 1947, don't you know, General, that an investigation of the State Department was undertaken by the Committee on Appropriations of the Senate of the United States?

A I recollect an investigation of that sort. I cannot say as to the date. There have been several. I must have known it at the time.

Q And on June 10, 1947, a confidential report was issued by the Senate Appropriations Committee and sent to the Secretary of State, George Marshall; isn't that a fact?

A I do not know.

Q You have never read the June 10, 1947 report of the sub-committee on Appropriations of the Senate which investigated the State Department?

A I have not.

Q Did you ever have any conferences with General Marshall when you were ambassador to Moscow?

A Many.

Q Did you ever discuss this question of Communists infiltration in the State Department with him?

A I did not.

Q Yet you believed that there was such infiltration during the course of those conversations?

A During the course of those conversations, no, I didn't know anything about it. I now believe there has been. At that time, I would have been inclined to doubt it.

Q Then you think the statement of Senator Benton that as early as 1945 the State Department was infiltrated would be incorrect?

A No. I would have no reason to think it was incorrect. On the contrary, I am inclined to think it may be correct.

Q But your position is that you didn't know of such a situation in 1947?

A Not at all.

Q Now, you have stated that while you were Ambassador to Moscow the Marshall plan was enacted; is that correct, sir?

A The Marshall Plan was enacted? You must give me the date.

Q 1948.

A On what month in 1948. Yes, it was.

Q You were there all during 1948.

A Yes.

Q Isn't it a fact that the Marshall Plan provides for economic aid to Western Europe?

A It does.

Q Isn't it a fact that no military aid can be given under the Marshall Plan to the countries of Western Europe?

A As I recall it, it does not specify military aid; only economic aid.

Q And that was Marshall's plan for the rehabilitation of Europe and to defend it against aggression, that you build it up economically?

A First, yes.

Q Yes.

A Yes.

Q In 1948, what was the situation that existed in the world, at that time, between the Soviet Union and Western Europe?

A In 1948, the United States had the atomic bomb. As far as we know, the Soviet Union did not. There was hostility but the odds were all with us.

Q Because we had the atomic bomb?

A Yes, sir.

Q It wasn't because of the defenses of Western Europe,

that they had been built up militarily to a position where they could defend themselves?

A In 1948?

Q 1948.

A No.

Q As a matter of fact, from the military standpoint, they were defenseless in 1948, weren't they, General, except for the use of your atomic bomb?

A Except for it. That is a terrific exception.

Q I am just saying, except for that.

A When you discuss defenses, you must discuss all aspects. If you are getting into military technicalities, I will answer this way: The Western complex versus the Eastern complex in 1948, had an enormous advantage insofar as military strength was concerned.

Q Who had this advantage?

A We did.

Q We did?

A Yes.

Q You mean that the West had the great military advantage in 1948?

A That is right.

Q Russia had over 200 divisions of men under arms at that time, didn't they, General?

A Yes.

Q How many divisions of troops were there on a war footing in the Western Zone of Germany at that time?

A I don't know. Insignificant.

Q That was true for all of Western Europe wasn't it?

A Yes.

Q What are these military advantages which the West had if you exclude the atomic bomb?

A If you exclude the atomic bomb, none.

Q And assuming the Russians had the atomic bomb at that time --

A I don't assume that.

Q Let's assume they had it, what would have been the military advantages of the situation then?

A There is no purpose in answering that question.

Q Why?

A Because it is unrealistic. Let's talk about the condition as it existed at that time.

Q It is your position that the Russians had no atomic bomb in 1948?

A That is my belief.

Q I ask you to assume that they did have --

A I prefer not to answer your hypothetical military questions.

Q As I get your answer, General, the fact that the United States had the atomic bomb gave us a sense of security

in Western Europe?

A Sense of time, yes.

Are you asking for information or do you want to make a legal point? If you are asking for information --

Q I am asking the questions, General. You say you can't answer a hypothetical?

A Yes.

Mr. Kiendl: He says that he prefers not to answer a hypothetical question, and I think the General is quite within his rights

Mr. Magee: I am not quarreling with the General. I am just asking the question.

By Mr. Magee:

Q Now, as a matter of fact, when this Marshall Plan had its inception, weren't we going to give economic aid under it to Russia?

A If the Russians were willing to subscribe and accept the principals of the Marshall Plan. I don't believe that anyone had any illusions about that.

Q Didn't we know as late as that time of this Russian conspiracy to destroy the United States Government?

A Yes.

Q By force and violence?

A That is right. That is why it was perfectly safe to offer aid to Russia.

Q You felt that it was safe to offer them economic aid because they wouldn't take it?

A That is right.

Q And you felt that this economic aid would be sufficient to protect the Western area of Europe against any aggression because we had the atomic bomb?

A It was designed to create an economy which could support a sound military defense without the United States having to pay for it. It was hoped that time might be available and that it might be successful in doing that. At least, mitigate the amount which the United States would have to pay for the Western defenses. That is my understanding of it.

Q Well, assuming that you got into a situation in which hostilities broke out between the east and the west, as you have put it, General, would you need some ground forces in Europe to fight such a war?

A Again, I prefer not to answer hypothetical military questions. If you will ask me a specific military question --

Q You don't think that is specific, General, if war broke out in Europe and the West became involved with the East, I asked you whether you would need military forces in Europe. You say that is not specific?

A No. The answer is I don't know.

Q You don't know?

A No.

Q How would you propose to fight such a war?

A I am not familiar with the war plan and I am not familiar with our atomic stockpile as it existed on that date, so I can't answer your question.

Q As a General, you gave us answers on the Marshall Plan based on your experience as a soldier?

A That is right.

Q I am asking you now, on your experience as a soldier, to tell us, if we became involved in a war with the East, whether we would need ground forces there, from your experience, would you please answer that?

A I will if you would elaborate on your condition. You are asking me to give you a hypothetical military plan of operation. Tell me how many atomic bombs I have to fight with and what means I have to deliver them. Then I will answer your question.

Q Do you think that you are going to fight this war entirely with atomic bombs?

A I answer it is possible. It would have been at that time.

Q Is that your belief?

A It would have been at that time, yes.

Q What would you do with Western Europe, drop bombs there too, or just drop them in Russia?

Mr. Kiendl: Let's get back to the lawsuit.

Mr. Magee: This is part of the lawsuit. You brought up this Marshall Plan and brought out that it had certain reactions in Europe; and you also brought up the Forrestal Plan. I am going to bring him up to the Forrestal Plan which is a different plan.

By Mr. Magee:

Q Isn't it a fact, coming to that point, that there was a subsequent plan developed which was utilized in Europe, called the Forrestal Plan, dealing with the Greek and Turkish situation?

A I have heard it referred to today for the first time.

Q You have never heard of the Forrestal Plan?

A No.

Q Which is a plan to furnish money to be used for the purpose of arms and equipment to arm these countries to withstand aggression, you have never heard of that plan?

A No.

Q So you wouldn't be able to compare the merits of that plan with the Marshall Plan, because you know nothing about it?

A No.

Q What was your position from 1947 on, General? What positions have you held since 1947?

A From 1946 to 1949, ambassador in Moscow; from 1949

to 1950, Commanding General of the First Army at Governor's Island, New York. From 1950 on, my present position.

Q And you have never heard -- I want to get this clear -- you have never heard of the Forrestal Plan?

A I have never heard it so denominated.

Q How about the plan used in Greece and Turkey, do you know about that?

A No, I do not.

Q Never heard of that?

A No, know nothing about it.

Q You don't know that money was used to furnish military equipment to those countries?

A I know money was used to furnish military equipment but on what plan, I do not know.

Q Now, you have spoken here about General Marshall. How long have you known General Marshall?

A I first served under General Marshall when he was Assistant Commandant of the Infantry School as a Lieutenant Colonel. That was in 1930.

Q 1930?

A Yes. I served under him then for a period of about eight months. I didn't see him again until I joined the War Department General Staff in 1941, I believe it was.

Q Is Marshall a friend of yours?

A Indeed he is.

Q A very close friend, isn't he, General?

A I am devoted to him.

Q Not only devoted to him, but you are very much interested in General Marshall?

A I am very much interested in General Marshall.

Q You wouldn't want anything to be said by Senator McCarthy, or anybody else, that would cast any reflection on General Marshall?

A I would not.

Q And as a matter of fact, aren't you in business with General Marshall, don't you own a farm together in Florida-- or do you?

A I don't own a farm in Florida. I wish I did.

Q You have business relations with the General?

A No.

Q You do not?

A No.

Q Now, you served, as I understand it, between 1941 -- was it as Secretary of the Combined Chiefs of Staff?

A I was ~~first~~^{first} Assistant Secretary of the War Department General Staff. Then I was Secretary of the War Department General Staff.

Q Who was Chief of Staff?

A General Marshall was Chief of Staff -- and the hardest taskmaster I ever served under in my life, I might say.

Then I was ^{the first} ~~first~~ United States Secretary of the Combined Chiefs of Staff and Secretary of the Joint Chiefs of Staff. I left that post to become Chief of Staff in Europe and North Africa.

Q Now, in 1942, you had under consideration an operation for the cross channel invasion of Europe, didn't you, General?

A We did.

Q What was it known as, "overlord"?

A At that time it was known, I believe, as, ^{the} first, "Roundup". Then "sledgehammer". Then "roundhammer". Then finally "overlord". I don't recall the code names but the cross channel operation to recapture Europe, indeed we did.

Q Did Marshall, as Chief of Staff, in 1942, want to make a direct invasion of France?

A He did. That was the policy of the United States and the United States military.

Q And Winston Churchill seriously disagreed with that on the ground that we weren't ready?

A He disagreed with it because he didn't believe Britain could muster sufficient forces and that it would not be successful.

Q Hasn't General Clark pointed out that we were wholly unprepared for an invasion into Europe in 1942?

A That is General Clark's opinion. It is not mine.

Q It is your opinion that we were prepared and ready

and could have made an invasion of Europe in 1942 successfully?

A You have asked me for my opinion. My opinion is that we could have crossed the channel in 1942 for a limited objective effort which might have been successful, I believe would have been successful in holding the ^C Cherbourg peninsula, but that it would have taken us just as long to assemble sufficient forces to break out and end the war as it did by crossing later.

Q And the British plan at that time, which General Marshall, as I understand it, was opposed to, was to take your beachhead which you had in Yugoslavia and commence an offensive there?

A No. That was never the British plan.

Q Never the British plan to have an offensive through the Balkans?

A No. The so-called plan through the Ljubljana Gap advocated at times by Mr. Churchill, was opposed by the British Chiefs of staff as well as by the American Chiefs of staff. It was not without merit, I may say.

Q Under whose orders was General Mark Clark's army more or less disassembled near the end of the Italian campaign, Marshalls?

A I don't know. I was engaged in Europe at that time.

Q Now, as Chief of the CIA, have you become at all

familiar and do you know the names of the top ranking Communists in China today, General?

A I am sorry, I must decline to answer any questions regarding my functions as Chief of the CIA.

Q Well, let's reframe the question, General, so you won't have to base it on your knowledge.

I am going to show you a photograph and ask you to first look at that and tell me whether you can identify the five persons that are in that photograph.

Mr. Magee: Will you please mark this for identification.

(The photograph referred to was marked Defendant's Exhibit No.1 for identification, Witness Smith 9/29/52.)

The Witness: I can identify a couple of the gentlemen. I can identify General Marshall and I can identify one or two Chinese. One of them the present principal communist leader.

Q What is his name?

A Mao Tze tung.

Q Do you know General Chou en-Lai?

A Yes, I do.

Q Who is he?

A He is generally considered the second ranking Communist, although it is believed now that he has somewhat fallen from grace.

Q Do you know General Chu Teh?

A Yes.

Q One of these generals was in command of the Chinese forces that invaded North Korea, wasn't he?

A Yes.

Q Which one was that?

A **Chu Teh.**

Q Are you familiar with General Marshall's mission to China?

A Only in a very general way and by hearsay.

Q You were never consulted by the General on that or had anything whatever to do with his mission to China?

A No.

Q From your knowledge and experience, knowledge of Communists and Communist conspiracy to overthrow the Government of the United States, can you give us your opinion as to whether or not the Chinese Nationalist Government should have been required to take the Chinese Communists into their Government?

A No, I can't, I am sorry to say.

Q Do you have any opinion on that?

A I have a general opinion.

Q What is that?

A My general opinion is that we have learned at long last that the Communists embrace you only to destroy you. Consequently, although I -- when was the mission, in 1948 --

I probably would not have subscribed to it at that time -- if you now asked me the question, I would say that any effort to bring a Communist minority into a coalition government is a mistake. I would not have so testified in 1949.

Mr. Kiendl: The mission was in January 1946, according to this photograph that has been marked.

The Witness: In 1946 I would have said, if I had been asked to testify under oath, that an effort to provide a coalition government probably was a wise thing to do. I have learned a good deal since that time.

By Mr. Magee:

Q And, as a matter of fact, General, haven't you made a recommendation that the Italian government should take the Italian communists into that Government?

A By no means.

Q You have never made such a recommendation?

A No. You misread.

Q I did?

A Yes. I said that we connived at bringing them; but I never made such a recommendation.

Q The United States connived to bring the Italian communists into the Italian government?

A We arranged to bring our friend, Mr. Togliatti, back to Italy because we were at that time laboring under the illusion, under the mistake common to all of us, and I

would have subscribed to it myself, that coalition governments might be made to work. The theory that "our communists are different" which was subscribed to by most of the European chancerys was a generally accepted one at that time. But that was a political recommendation which I had no part of. I made only military recommendations.

Q Well, let's explore that just a little.

Then, as I understand it, at that time you believed in the Italian government taking Italian communists in as part of the government?

A Had I been asked at that time, as I was, not, if it was a good move to try to create a coalition government in Italy including the communists, based on my knowledge at that time, I would have said it is.

Q As a matter of fact, didn't we go a little further, didn't you state that we were determined that these things should be?

A I don't recall the exact wording but such was our intention and policy -- and when I say "our" I mean by that, the intention and policy of the United States Government.

Q Now, you have written a book, I believe, have you not, General, entitled "My Three Years in Moscow"?

A Yes.

Q And this book is a correct statement, is it not, of what your views were and what you believed at the time?

A It is.

Q I ask you if you didn't say, on pages 18 and 19:

"We of the West were determined to establish a Democratic government with as broad a base as possible, and this made it easy for us to accept Communist participation in the Italian government, and even to accept and indeed to facilitate, the return of the Italian Communist leader, Palmiro Togliatti, who had been in Moscow."

A That is correct.

Q By the way, General, I believe you were at Casablanca, were you not?

A No.

Q Teheran?

A No.

Q What was this first meeting of the Mediterranean Commission at which you met Mr. Vishinsky?

A That was in Algiers. That is where the Mediterranean Advisory Commission held its session.

Q Are you impressed by dancing blue eyes and dark flashing eyes?

A It depends on the sex.

Q In the male sex?

A At times but not emotionally.

Q You wouldn't be misled by blue or black flashing eyes or an amiable smile coming from the Soviets, would you,

General?

A Now or then?

Q Then.

A I might well have.

Q And when you met Mr. Vishinsky, you wrote this about him for the American public to consume, did you not, General, and I quote from pages 16 and 17:

"I found Mr. Vishinsky aggressive but likeable. His gray hair, piercing blue eyes, alert self possession and intelligent expression combine to create an excellent first impression. He has a lively sense of humor and can, when he desires, exercise a great deal of personal charm."

A You might read the rest, but that part is correct, yes.

Q "I soon found out, however, as we got down to business, that his outstanding characteristic is a brusque truculence."

A Right.

Q Do you believe that Mr. Vishinsky is an amiable gentleman?

A No, indeed. I think Mr. Vishinsky is one of the primest three-^{letter}~~word~~ gentlemen that I have ever met. And if you read further back you will find certain references to that fact.

Q What are your ideas of Mr. Stalin, whom you met?

A Mr. Stalin is a very remarkable man. He would have to be a remarkable man. He is pretty well described in the book there.

Q "Demagogue, father of his" -- "parent of his people." ?

A "Father of his people."

Q Yes.

A Yes. He is the father of his people. More than that, he owns them, lock, stock and barrel. He is probably -- well if you have read the book -- unless you have had a clerk mark some underlying passages -- you know my opinion of Mr. Stalin, and in great detail.

Q And it is your belief that to millions of the Soviet people he has that combination of -- he is that combination of demigod and loving parent which the Russian national psychology seems to require?

A That is right.

Q That is what you believe of Joe Stalin?

A I do indeed. That is a peculiar weakness in the Russian people, that they seem, the Russian temperament, that they seem to have ^{to have} a "little father" and that is why he has been successful -- one of the reasons.

Q And you were led to believe that you could arrange a compatible situation between the United States and Soviet Russia while you were ambassador?

A What sort of a situation?

Q Incompatible situation.

A You will have to restate your question.

Q Did you believe that we could settle our differences with Soviet Russia when you were ambassador there by agreement?

A When I went there I had hoped that we might be able to.

Q And that is what Mr. Stalin told you? You published ~~it~~ in this book" * * * ^{though} ~~the~~ ^{political} we had different/and economic systems, our forms of government and ways of life were not 'incompatible'; and that we could with patience and good will resolve any differences which arose."

A That is what Mr. Stalin said.

Q Yes.

You had on your staff when you were in Moscow a John Davies, did you not, General?

A Yes.

Q So called Far Eastern specialist; is that correct?

A That is correct.

Q Born in China?

A I believe so.

Q Had long service there?

A I believe he was.

Q And you found him and believed him to be a very loyal and very capable officer, of sound judgment?

A I still believe so from my experience with him in Moscow, yes.

Q You do know, do you not, that Joe Davies -- John Davies, pardon me -- appeared and testified before the McCarran Committee?

A Yes.

Q Did you contact the McCarran committee, or have anyone contact the McCarran Committee concerning that man Davies?

A No.

Q You did not?

A No.

Q Did anybody in your department, with your knowledge ever contact the McCarran Committee concerning Davies?

A Yes; I think they did.

Q What was the purpose of that contact?

A It is classified.

Q To try to get the McCarran Committee to drop any charges they might have against Mr. Davies?

A I can only answer that was not the purpose of the contact but I will have to decline to answer anything about the contact or anything about the McCarran Committee in relation to my department.

Q And you know that the McCarran Committee -- I read from page 224 of this report, after having heard Mr. Davies testimony concluded at page 224:

"John Patton Davies, Jr. testified falsely before the sub-committee in denying that he recommended that a central intelligence agency employ, utilize and rely upon certain individuals having Communist associations and connections. This matter was relevant to the inquiry and substantial in import."

Do you know that to be a fact?

A I am aware that that appears in the report of the McCarran Committee.

Q Are you aware of the further fact that one of the two recommendations of the McCarran Committee, which appears on page 226 is:

"That the Department of Justice submit to a Grand Jury the question of whether perjury has been committed before the sub-committee by John P. Davies, Jr."

A I am.

Q Now, General, is there a report in existence, or a recommendation in existence, from John Davies recommending that the Central Intelligence Agency employ persons of Communist sympathy?

A I decline to answer. Classified.

Q Didn't you know that the former ambassador Hurley, Patrick Hurley, who went to China, charged while he was on his mission to China, that Mr. Davies was pro-Communist and was going against the interests of the United States in China by favoring Communists against the Nationalist

government?

A I must decline to answer. It has to do with my present classified position.

Q Don't you know as a fact, General, that Mr. Davies is pro-Communist?

A No, I do not.

Q Don't you know that he is recommending pro-Communists for work in your agency?

A I must decline to answer that.

Q Dealing with this question of what is the plan as to the United States today, do you say on page 167 of your book:

"The foreign policy of the Soviet Union and the aims of international Communism become so closely related that they are indistinguishable one from the other. International Communism has its homeland in the Soviet Union and operates with the resources of the Soviet State."

Did you make that statement?

A Yes.

Q You believed it to be true?

A I do.

Q When did you first learn that?

A I am unable to answer specifically. It is the combination of a good deal of observation, experience, and the exact date upon which this dawned escapes me.

However, at the time I wrote the book I obviously was convinced of it.

Q By 1950 you had come to that realization then?

A And sometime before that, yes.

Q Did General Marshall have any part in the formulation of the unconditional policy of the United States in the war with Germany?

A Not to my knowledge.

Q Did you ever discuss it with him?

A No.

Q What is your opinion of unconditional surrender as a policy of a nation engaged in war with another nation?

Mr. Kiendl: What has that to do with the lawsuit?

Mr. Magee: A lot to do with it.

Mr. Kiendl: If you think so, we will let the General tell us.

The Witness: It is taking a long time here, but I am at your disposal.

I must answer that this way, that it would depend largely upon the situation. If you will rephrase your question, I will answer you specifically.

Do you want to know, what is my opinion of the policy of unconditional surrender with respect to our war with Germany?

BY Mr. Magee:

Q Yes.

A I believe it to have been a mistake.

Q As a matter of fact, such a policy definitely would prolong a war and prevent a negotiated peace, would it not, General?

A I can only answer my opinion. I believe that in that case it did, or might have.

Q Did you have any part in the formulation of the decision which held the American armies back from Berlin, General?

A Indeed, yes.

Q To permit the Russians to capture that City?

A Yes.

Q Did General Marshall have any part in that decision?

A No except to participate in approving it.

Q He was Chief of Staff?

A Yes.

Q He had to approve?

A As a member of the combined Chiefs of Staff which approved it.

Q And was that in order to give the Russians responsibility over what was to be the eastern zone of Germany and which had been agreed on?

A No. That had already been agreed on.

Q At Casablanca?

A It was not specifically to give them that responsibility. That responsibility had already been given them before

we crossed the channel.

The purpose of the maneuver, the decision which turned our forces, our main effort, away from Berlin and toward the German armies and to cut them in two, was because, in our opinion, Berlin had ceased to have any military significance, and it had already been placed, by political decision, well within the zone of occupation of the Soviet Union. So it no longer -- it was the political heart of Germany which had ceased to ~~be~~ ^{beat}. Our objective was with the German armies in the field.

Q And do I understand you that the turning over to the Russians of Berlin had no political significance at the time?

A It had political significance, but it was not a significance that we were concerned with, because the decision to do so had been made before we ever crossed the channel.

Q And under those decisions then the United States Army was stopped and turned back from its forward progress, in order to permit the Russian armies to come forward?

A Not at all.

Q They were turned away from Berlin, is your explanation?

A They were directed away from Berlin.

Q They didn't sit two weeks on the Rhine, did they, General?

A We sat a long time on the Rhine, yes, sir.

Q Before the capture of Berlin?

A Well it has no -- there is no military connotation between the time we spent on the Rhine and the capture of Berlin. If you want to get into the question of military strategy get a map and I will debate it with you.

Q No, I am just asking, General.

A That is a silly question, if I may be permitted to say so. If you want a specific answer to your question, I will draw you a diagram and plan of operations --

Q No.

A -- and the reasons why.

Q Did you want the American people to believe, when you published this book, General, that the Communist movement, revolution of 1918 and 1919 in Russia, was based initially on the "deepest moral motives and was impelled by strong historical and economic forces?"

A Yes, sir, because I believe it myself.

Q You believe that?

A I do.

Q And, as I understand it, those forces then that were behind the Communist revolution in Russia, are different forces than those behind the Kremlin today?

A Completely different.

Q And that in 1919, no conspiracy of the kind that we have described existed in the international communist field

to overthrow the government of the United States by force and violence?

A No, I think not.

I am aware of the fact that Lenin did not believe that the two systems could exist in the same world, but as far as the mass of the people who were concerned in making the revolution a success are involved, I think that it was a matter of deep seated moral ^{and class} antagonism which did not take into account any theory of non-coexistence or anything else that Lenin was preaching.

Q I read you from the testimony of J. Edgar Hoover on March 26, 1957 before the UnAmerican Activities Committee page 34, and I want to ask you whether or not this is a correct statement of the facts as they exist:

"The Communist movement in the United States began to manifest itself in 1919. Since then it has changed its name and its party line whenever expedient and tactical. But always it comes back to fundamentals and bills itself as the party of Marxism-Leninism. As such, it stands for the destruction of our American form of Government, it stands for the destruction of American democracy; it stands for the destruction of free enterprise; and it stands for the creation of a 'Soviet of the United States' and ultimate world revolution."

A Only part of that can I confirm from personal knowledge and opinion because my knowledge of the Communist

Party in the United States, or elsewhere, is far later than 1919 or -- when was that statement made?

Q This was made in 1947 in testimony before the un-American Activities Committee of the Communist threat to the United States.

A I would have to accept Mr. Hoover's statement as the authority on Communism in the United States. I have no concern with Communists in the United States per se.

Q I think you have testified, or your book states, that Communism has its source in Moscow?

A So it has. If you will frame your questions in relation to world Communism, I will be glad to answer.

Q I think you agreed, General, that international Communism is identical with the forces of the Kremlin today, as you put it, and it is a great menace to the security of the United States?

A I do indeed.

Q And because of that danger, I think you have also testified that every effort should be made to eliminate from any positions in government any suspected Communists, pro-Communists, or fellow travelers?

A Let us say every consistent and reasonable effort, yes.

Q Do you have any idea, from your knowledge of how the Communists operate -- or, isn't it a fact, General, as

Mr. Hoover testified on page 35:

"Anyone who opposes the American Communists is at once branded as a 'disrupter', a 'facist' a 'red-baiter' or a 'Hitlerite', and becomes the object of a systematic campaign of character assassination. This is easily understood because the basic tactics of the Communist Party are deceit and trickery."

A It certainly is true.

Q I understood you to take the position that you didn't know as early as 1942, because you were on a military mission in Europe, that Communism and the Communist Party were seeking the overthrow of the Government of the United States by force and violence?

A This may sound strange to you, but aside from the fact that, like most army officers, ^I ~~we~~ considered Communism as a rather nebulous menace, I had hardly given it a thought. If you like, I was against Communism, without knowing very much about it. As a Catholic I have been raised, as you might say, anti-Communist, without knowing anything about it very much. But since from 1944 on, when I began an intensive study of it, I learned something about it, and so I could only answer you as from that date.

Q Do you know that in 1942, May 28, 1942, the then Attorney General of the United States acting under the authority of the Hatch Act, cited, in the Harry Bridges deport-

ation case, the American Communist Party as a subversive Communist front which advocates, advises and teaches the overthrow by force and violence of the Government of the United States?

A I am sure I knew it but in 1942, as you will recall, our attentions were focused elsewhere. However, I can subscribe to the correctness of it.

Q Looking back, General, don't you believe that that conspiracy has continued at all times from the knowledge and experience that you have since gained, since 1942?

A Oh, yes. No one who studies Lenin or Stalin's problems of Leninism can escape the conclusion that it has been in existence ever since they gained power and even before.

Q And isn't it --

A Although I draw a distinction between pure Marxism and present Stalinism, and the distinction I draw is that pure Marxism, while bad enough in itself, has now, by process of miscegenation, or whatever you call it, produced the offspring of "Stalinism," which contains all the dynamic expansionism which has been the characteristic of Russia for centuries, and that is a damn sight worse.

Q Modern Russia, under Stalin, under Communist control, presents a present danger, of course, which Russian imperialism never presented, to the United States?

A That is right, because it has behind it discipline and the control of a party, which regardless of what else you may think of it, is staffed by a bunch of determined and selfless men.

Q Don't you agree with J. Edgar Hoover, as he testified on page 44:

"The Communists have been, still are, and always will be, a menace to freedom, to democratic ideals, to the worship of God and to America's way of life"?

A I do.

Q Don't you further agree, as Mr. Hoover testified, that the way to take away from a Communist his power is to expose him?

A I do.

Q And you agree with him, do you not, General, when he stated, at page 44:

"I feel that once public opinion is thoroughly aroused as it is today, the fight against Communism is well on its way. Victory will be assured once Communists are identified and exposed, because the public will take the first step of quarantining them so they can do no harm."

A I do.

Q You agree with that ?

A Yes, sir. I don't like Communists and I agree with Mr. Hoover as an authority on it.

Q And Americans who know of the existence of Communists, or persons who further the Communist cause, should make that knowledge public, according to Mr. Hoover, and, I believe, according to you, General, so that we might know who these people are?

A Yes, sir.

Q Can you handle these Communists with kid gloves, General?

A I don't think so.

Q You have got to use every means, and we have to use every means we have, in the United States of America, to fight them, don't we, General?

A Are you going to force me to say you have got to use every democratic means, or are you not. Let's don't do that.

Q I am going to ask you if the issue today, General --

A You have to use every means that is compatible with the principles of American democracy, yes.

Q You believe that a Communist has certain rights and they should be protected?

A Yes. He has the rights of a United States citizen I daresay. Regretably, from my point of view, we must protect those rights.

Q Where the issue is the destruction of the United States as against the preservation of the rights of a Communist, which rights should be paramount, General?

A As a soldier, that is no question for me, but you, as a lawyer, will have to answer that yourself.

Q I am asking you as a soldier.

A As a soldier--

Q As a man in government. You have had positions in the State Department, General?

A That is right.

Q The head of CIA?



A No; my answer is, of course, that as an official of the government and as a soldier, no rights transcend those of the United States, but the law and the courts have taken certain -- made certain rulings on those things, and they have to be observed.

Q You believe in the principle of exposing them, don't you, General?

A I do, indeed.

Q I ask you further, General, don't you believe that a Communist, even an American Communist, because of the existence of this international conspiracy, owes his allegiance to a foreign power, such as you have described?

A I certainly believe that; they certainly do.

Q And don't you further believe that there can be no question of any divided loyalty of this kind in our country, and that if we find examples of such divided loyalty the security of the country requires that we expose them?

A I think we all agree on that.

Q While you were in Moscow, General, General Marshall made his mission to China; am I correct?

A Yes, you are correct.

Q During that period of time, did you ever come in contact with Owen Lattimore?

A I have never met Owen Lattimore and I never had any direct contact with him.

Q You were in the State Department then at the time, acting as ambassador to Moscow, at the time that General Marshall made his mission to China?

A Yes, sir.

Q Were you ever consulted by the State Department on that mission in view of the fact that you were the ambassador to Moscow?

A No. I was consulted on one occasion by General Marshall, however.

Q Before or after or during the mission, General?

A While he was in China.

Q That was during the mission?

A Well, this would lead no where, so -- I mean, it wouldn't be germane to the question so you might as well drop it, because -- it makes me laugh to think about it.

Q At that time did he discuss with you his mission to China, as our ambassador to Moscow?

A No. We were in correspondence on one question which had to do, as I recall, with certain exchanges of prisoners, and I made certain recommendations to the Kremlin at General Marshall's behest, and received a very cold reception.

Q Didn't you get any instructions while you were in Moscow as to American policy in China?

A No; no.

Q Who was in charge of the State Department at that time?

A Secretary of State Byrnes, Governor Byrnes.

Q Marshall went as the President's representative to China?

A I am sorry to say, I know so little about the circumstances that I can't answer you authoritatively.

Q You don't know who wrote his instructions?

A No.

Q Whether he did it personally, as he testified, or whether Secretary Acheson?

A I do not know. They were written while he was on the high seas or whether he wrote them -- no, I do not know.

Q Were you ever asked for your opinion in connection with this mission, as to what should be American policy in China with respect to which faction should be supported, the Nationalist Government of China, or the Chinese Communists?

A Never. My only function in connection with China

was to express my views of Soviet intentions and objectives in Asia.

Q Now, certain questions were put to you by Mr. Kiendl. He read to you excerpts from the speech of Senator McCarthy on the Senate floor. Have you read that speech in its entirety?

A I have not.

Q You don't know whether or not there is any charge in that speech that General Marshal is a conspirator, do you, General?

A All I know about that speech is the statements which I have heard read and which you heard me ask if they stood alone or were in context.

Q Then you are not able to point out any language in that speech which would make you believe that he has been charged with being a conspirator, are you, General?

A All I know is, as I say, is the language which was read to me. I have not read the speech.

Q I ask you whether or not you have read the reprint of that speech as enlarged by Senator Joseph McCarthy in a publication entitled "America's Retreat from Victory, the Story of George Catlett Marshall."

A I have not.

Q You are unable to say whether any statement in that book is correct or incorrect because you haven't read it?

A That is correct. I can only testify as to the

statements that were read to me.

Q General, when you receive reports, confidential reports, from an investigating committee of the Senate of the United States, reporting -- excuse me,

(Discussion off the record.)

Mr. Magee: Suppose we take a few minutes recess.

(Recess)

By Mr. Magee:

Q General, during the McCarran hearings, did your department, under your instructions, contact the Department of Justice with reference to John Patton Davies, Jr.?

A Sorry, can't answer that.

Q Is it a fact that your Department has requested the Department of Justice not to bring prosecution proceedings against Mr. Davies for perjury?

A Sorry, can't answer that.

Mr. Klendl: And the reason for your not being able to answer that question, General?

The Witness: Simply that all of the operations -- I can't answer that because, as I explained to you earlier, all of the methods of my department, the actions of my department, are classified under Section 102 of the National ~~Defense~~ ^{Security} Act.

By Mr. Magee:

Q General, do you know the Assistant Secretary of

Defense in Charge of Personnel, Anna Rosenberg?

A Yes, very well.

Q She was made Assistant Secretary of Defense during Marshall's period in office as Secretary of State, wasn't she?

A Yes, she was.

Q How well do you know Anna Rosenberg, General?

A I have known Mrs. Rosenberg since she came to ~~SCHAEF~~^{SHAFF}, sent there I believe by President Roosevelt, to make a tour and make certain recommendations about the readjustment of military personnel after demobilization into the civilian complex. Later, when I was commanding General of the First Army, she served as one of the Army Commanders' advisory committee, which consisted of about 40 representative people in New York. I know her quite well personally but our friendship dates from, I should say, from her first trip to ~~SCHAEF~~^{SHAFF}.

Q How long a time in years is that, General?

A That was in 1945.

Q And --

A Seven years.

Q Did you have any part or take any part in her appointment as Assistant Secretary of State, or make any recommendation in connection therewith, General?

A You mean as Assistant Secretary of Defense?

Q Yes.

A No, I did not.

Q You were not consulted by General Marshall in that matter?

A I was not.

Q I understand though that you know her personally. Do you see her occasionally, on social occasions, as well as in business, General?

A Yes.

Q Is it frequent or infrequent?

A Oh, relatively frequent, insofar as I measure my social activities, possibly every 10 days or two weeks.

Q General, have you ever heard of a person by the name of Charles Davis?

A Charles Davis?

Q Yes.

To identify him further, who was arrested by the Swiss Government and recently tried in Switzerland.

A Can you identify that a little more?

Q Yes. Charles Davis, who was charged with representing a foreign agent by the Swiss Government and tried and convicted in Switzerland and deported from that country.

A Yes, I have.

Q Didn't the CIA assist in an investigation of the Davis case?

A There I have got to tell you honestly -- I won't stand on security -- I don't know because I don't recall.

Q And you don't know whether or not this man was actually in the custody of the CIA when he made his telephone call from Switzerland back to the United States to Senator McCarthy?

A No.

Q Do you think that is a matter of security?

A It would be, yes.

Q If such a situation developed and your files so showed, you would feel that the information should not be made public; is that correct, General?

A Yes.

Q If I were to ask you to produce that information you would refuse to produce it?

A I would refuse to produce it, yes. If such information exists.

Q It is useless for me to --

A It is useless for you to ask me any questions which relate to the methods of my organization in connection with its intelligence activities because I am required by Section 102 of the National Security Act of 1947 to not disclose it.

Q Would it be a violation of your regulations, General, for me to ask you whether or not the CIA works with our State Department in Switzerland on confidential matters?

A Yes, it would be.

Q You wouldn't answer that?

A , No, I wouldn't answer that. And, as a matter of fact, in the interest of the United States, I would ask you not to ask those questions, unless they have a very strong and direct bearing.

Q Don't you think it would have a direct bearing on this case to know whether Mr. Charles Davis, who was supposed to be an agent of Senator McCarthy, was in the actual custody of the CIA when he made his telephone call from Switzerland to the Senator, that that would be material to show that instead of it being the case of an agent, he was merely setting a trap for the Senator?

A Well, since, as I tell you, I have drawn a blank on this thing, it is pretty hard to answer the question.

Q I just wanted to clarify it with you, General. I am not trying to transgress security.

A If you will give me the details of the case and you wish me to look it up, it might be one that I could answer you possibly with a categorical "No" in connection with some phases of it but I don't remember it sufficiently.

Q You don't remember?

A I draw a blank on that. I know the name and I remember his trial in Switzerland.

Q Don't you know as a fact, General, that he was a paid informer of the State Department as well as in Switzerland in violation of Swiss law?

A No, I must say that I do not know that.

Q Then, as I understand the situation, General, you have not examined either the charges of Senator McCarthy against Senator Benton, or Senator Benton's defense, or Senator Benton's 30,000 word statement which he has read to the Senate, in order to ascertain what is the truth, insofar as you know it, in this lawsuit; is that correct?

A Counsellor, I have come up here and answered these questions, the questions which are read to me are all that I have read or know of the documents from which they are extracted. I have not read either one, and I know very little about the case, except that there is a suit, that part of it resolves around General Marshall and that there are certain allegations made with regard to his loyalty.

Q Getting back to General Marshall for a moment, I will ask you this question, were you with the State Department -- you are now head of the Central Intelligence Agency -- what would you do if on June 10, 1947, you received the following confidential report from a sub-committee of the Senate Appropriations Committee of the United States:

"From: Senate Appropriations Committee

"To: Secretary of State, George C. Marshall

"It becomes necessary, due to the gravity of the situation, to call your attention to a condition that developed and still flourishes in the State Department under the

administration of Dean Acheson.

"It is evident that there is a deliberate, calculated, program being carried out, not only to protect communists personnel in high places, but to reduce security and intelligence protection to a nullity.

"Regarding the much publicized Marzani case, the evidence brought out at his trial was well known to the State Department officers, who ignored it and refused to act for a full year.

"Marzani and several other department officials with full knowledge of the State Department, and with government time and money promoted a scheme called PRESENTATIONS, INC. which contracted with a Communist-dominated organization to disseminate propaganda.

"Security objections to these and other even more dangerous developments were rebuffed by high administrative officials; and there followed the substitution of unqualified men for these competent, highly respected personnel who theretofore held the intelligence and security assignments in the Department. The new chief of controls is a man utterly devoid of background and experience for the job, who is, and at the time of his employment, was known to those who appointed him to be, a cousin and close associate of a suspected Soviet espionage agent. The next development was the refusal of the FBI G-2, ONI and other Federal investigative agencies

to continue the whole-hearted cooperation they had for years extended to the State Department.

"On file in the Department is a copy of a preliminary report of the FBI on Soviet espionage activities in the United States which involves a large number of State Department employees, some in high official positions. This report has been challenged and ignored by those charged with the responsibility of administering the Department with the apparent tacit approval of Mr. Acheson. Should this case break before the State Department acts, it will be a national disgrace.

"Voluminous files are on hand in the Department proving the connection of the State Department and officials with this Soviet espionage ring. Despite this, only two persons, one of whom is Marzani, were released under the McCarran rider because of their subversive activities."

And then nine names are listed, which are blanked out in this report.

" . . . are only a few of the hundreds now employed in various capacities, who are protected and allowed to remain despite the fact that their presence is an obvious hazard to national security. There is also the extensive employment in highly classified positions of admitted homosexuals, who are historically known to be security risks.

"The War and Navy Departments have been thwarted for a year in their efforts to carry out the German scientist

program. They are blacked out by one man in the State Department, a protégé of Acheson named _____, who is also the chief instrument in the subverting of the overall security program.

"This deplorable condition runs all the way up and down the line. Assistant Secretary Braden also surrounded himself with men like _____ and with _____ who has a notorious international reputation. The network also extends into the office of Assistant Secretary Benton.

"The sub-committee of Senate Appropriations Committee"

If you received such a report, what would you do?

A That is a very large question, but if you want --

Q Talking about the proprieties now.

A I would turn it over to a senior officer in the Department in whom I had full confidence, or if I knew of no officer in the Department whom I could fully trust, I would do as I do in the case of my own organization, and bring in somebody from the outside whom I could fully trust, turn it over and ask him to give me an investigation and report based on his personal investigation as to the accuracy or inaccuracy of the statement and recommend action.

Q And as a matter of first action, would you acknowledge receipt of the report?

A I would as a matter of courtesy or I would expect my own people to write a letter for me to acknowledge it.

Q In other words, you wouldn't ignore such a report, would you, General?

A No.

Q A report as serious as that coming from the Senate Committee would stir you to action, wouldn't it?

A Yes. As a matter of fact, the organization would take action automatically.

Q Now, also I want to call your attention to this situation, that in September of 1948, Robert C. Alexander, of the State Department, under subpoena, testified before a Congressional Committee, and his testimony was to the effect that the United Nations' organization was being used for international espionage purposes. Now, if that testimony was true, would you take disciplinary action against that employee for telling the truth when he was required to by a Congressional Committee?

A It would depend largely on the circumstances, I think and I don't know the circumstances, so I can't answer the question.

Q Assuming that your own CIA verified the accuracy of his testimony, and in reply to that same committee pointed out that among the names given by Alexander, which were 100, 32 of the individuals named on the list were reported to have been engaged in activity, worked for the intelligence services of their respective countries, and, further, that

your Department reported that 29 of the individuals named in the letter were ranking Communist party officials, so that your Department confirmed the accuracy of his testimony, do you think under those circumstances that Mr. Alexander should have been disciplined?

A I can't answer that because different people operate in different ways and I don't know the background of it. Again, if that statement of yours stands alone, if there are no other facts involved, if he belonged to my organization, I don't think I would discipline him.

Q As I understand it, then, General, you wouldn't consider that such action was misconduct in office and dereliction of duty, because a man is under oath and is forced to tell the truth, and has no directive to protect him?

A It might be with me. It might be with the State Department.

Q I said, if he didn't have a directive which required him not to answer.

A I don't know their regulations. If the regulations do not prohibit revealing things of that sort and if he was under no obligation not to, I should see nothing wrong with making the statement.

Q When did the Central Intelligence Agency take this position that they wouldn't reveal any information ever in these cases? It wasn't the policy in 1949, was it?

A It has been the policy ever since the National Security Act of 1947 was passed. That doesn't give us any latitude. The Act is specific. It states that the Director of Central Intelligence is responsible for the protection of his sources and methods from disclosure.

Q Wait a minute, General. Do you think there is any disclosure of sources or methods when, in response to Congressional inquiry, information is given and certain individuals are named?

A It depends on the inquiry and the information which is desired. You will have to give me a specific case. If it does not reveal sources or methods, it is a perfectly proper reply.

Q Where you just report to the Congress that this information is correct or incorrect, that does not reveal source?

A No.

Q That doesn't come within the control of the regulation?

A No. On the other hand, if you are referring back to a question you asked previously, whether I would have to decline to give certain records in connection with hypothetical or actual cases, I would have to decline, particularly where it had to do with operations outside of the United States, which is our area of operation. If you

asked me, for instance; if a Congressional Committee asked me for instances, such and such, and such and such, an individual in the United Nations believed to be a Communist, I can answer you with a perfectly clear conscience.

Q That is the question I was putting to you.

A If that is the one --

Q If the head of your agency did that.

A If that is what you meant, yes, I can answer that with all propriety.

Q You know that they are Communists, it is quite proper to make such a statement, isn't it?

A It is quite proper for my people -- I have certain obligations to the McCarran Committee, which would come within the purview of my responsibility -- so in answer to that I would say I could make one answer to ^{one} ~~a~~ committee that I could not make to another committee.

Q General, did you have any connection or were you at Yalta?

A No, I was not at Yalta.

Q You participated in no way in the Yalta decisions?

A NO. I went to Malta, which is on the way to Yalta.

Q I couldn't tell from reading your book, because you describe in detail what occurred at Yalta.

A Yes.

Q Did you have any connection at all with this group

of advisers that came over for the armed forces and engaged in strategic investigations in Germany to ascertain whether or not the bombings of Germany were of any strategic value?

A You mean the one headed by the President of one of our big insurance companies?

Q Yes.

A I met him.

Q And --

A I also read in part or glanced through a copy of their report.

Q Wasn't Governor Stevenson on that group too?

A I believe he was.

Q Did you know he had also acted prior to that time as counsel for Knox?

A Yes.

Q Do you know whether he went to Yalta?

A No, I am sorry to say, I don't.

Q Did you meet Stevenson's assistant, David D. Lloyd while you were over there, while they were over on this strategic bombing mission?

A I may have but I don't recall if I did. I am sure I met Governor Stevenson at the time, although when I met him the other day I didn't remember it.

Q There has been a document about which there is some question as to authorship which has been characterized as

a document which changed -- one of the most important documents which was issued after the war ended. I am wondering whether you, General, can help us on this question of authorship.

General, here is a document which appears in Sherwood's book concerning Hopkins, which is described to me from a very high level United States military person. Can you tell us whether or not you know the author of this document to be General Marshall, and I quote the document in full:

"Russia's postwar position in Europe will be a dominant one. With Germany crushed, there is no power in Europe to oppose her tremendous military forces. It is true that Great Britain is building up a position in the Mediterranean vis-a-vis Russia that she may find useful in balancing power in Europe. However, even here she may not be able to oppose Russia unless she is otherwise supported.

"The conclusion from the foregoing are obvious. Since Russia is the decisive factor in the war, she must be given every assistance, and every effort must be made to obtain her friendship. Likewise, since without question she will dominate Europe on the defeat of the Axis, it is even more essential to develop and maintain the most friendly relations with Russia.

"Finally, the most important factor the United States has to consider in relation to Russia is the prosecution

of the war in the Pacific. With Russia as an ally in the war against Japan, the war can be terminated in less time and at less expense in life and resources than if the reverse were the case. Should the war in the Pacific have to be carried on with an unfriendly or negative attitude on the part of Russia, the difficulties will be immediately increased and operations might become abortive. "

Do you know the authorship of that document?

A No, I don't. I would say that it is probably a General Staff study regardless of who signed it.

Q Who was head of the General Staff at that time?

A General Marshall was head of General Staff.

Q Do you agree with the definition of a fellow traveler which has been given out by the committee on un-American Activities of the United States House of Representatives?

A Will you read it?

Q "The fellow traveler is the hook with which the Party reaches out for funds and respectability and the wedge that it drives between people who try to move against it."

A Is that the complete definition?

Q Beginning earlier, referring to the term "fellow traveler" the committee reports:

"One who sympathizes with the Party's aims and serves the Party's purposes in one or more respects without actually holding a Party card."

A Yes. That part of it I agree with.

Q The second one, do you agree with their conclusion that he is important to the Communist movement because -- I gave you the question wrong -- first:

"The fellow traveler is the hook with which the Party reaches out for funds and respectability and the wedge that it drives between people who try to move against it."

A I agree with it with one modification, I would say the fellow traveler is one of the hooks and then I would go ahead from there and I think it would be all right.

Q Do you agree with their definition that a Communist front is:

"Any organization created or captured by the Communist to do the Party's work in special fields? "

A That is a reasonable definition, yes.

Q Would you further agree that these front organizations is "Communism's greatest weapon in this country", of the Party in this country?

A Yes.

Q And they are used to subvert people, even people who are never willing to act as a Party agent, and who nevertheless carry out Party purposes?

A Yes.

Q And don't you further agree that persons connected with the Communist front organizations, and organizations

classified as subversive by the Attorney General of the United States, should not hold key positions in the State Department of the United States?

A As a general premise, yes, although I may say that in reviewing loyalty cases and reports, there are so many shades involved there that it is impossible to generalize. I would say, as a general principle, yes.

Q You agree with the general principle?

A Yes.

Q Now --

A You have to qualify that one a little.

Q Let's go a little further, Mr. Hoover's definition of a fellow traveler, page 38 of his testimony:

"One who accepts the aims, principles and program of the party, who attends meetings, who reads the Party press and literature, who pays dues and who is active on behalf of the party 'shall be considered as members' ".

A That is right.

Q You agree with that, do you not, sir?

A Yes.

Q Further:

"The open, avowed Communist who carries a card and pays dues is no different from a security standpoint than the person who does the Party's work but pays no dues, carries no card and is not on the Party rolls."

A Yes. I might carry it a little further and say the second category is even more dangerous than the first.

Q That he is even a greater menace because he doesn't carry a card and can work himself. You agree with that?

A Yes.

Q I ask you if you agree with this:

"Identifying undercover Communists, fellow travelers, and sympathizers: the burden of proof is placed upon those who consistently follow the ever-changing, twisting Party line. Fellow travelers and sympathizers --"

First, do you agree with that principle?

A Yes.

Q Once they mix themselves up with these people, then the burden should shift to them to prove their innocence; is that correct?


A Insofar as security is concerned, I do. I must speak from the viewpoint of my own organization, where security regulations are extremely strict.

Q "Fellow travelers and sympathizers can deny Party membership but they can never escape the undeniable fact that they have played into the Communists hands, thus furthering the Communists cause by playing the role of innocent, gullible or wilfull allies.

Do you agree with that, sir?

A Yes, sir.

Mr. Magee: Thank you.



Subscribed and sworn to before me this _____ day
of _____ 1952.

Notary Public in and for the
District of Columbia.

My commission expires
July 1, 1957.

UNITED STATES OF AMERICA }
 DISTRICT OF COLUMBIA }



I, LLOYD L. HARKINS, a notary public duly commissioned and qualified in and for the District of Columbia of the United States, aforesaid, do hereby certify that, pursuant to notice and subpoena, there came before me on the 29th day of September, 1952, at 3:00 o'clock p.m., at the Statler Hotel, Washington, D. C., the following named person, General Walter Bedell Smith, who was by me duly sworn to testify the whole truth and nothing but the truth of his knowledge touching and concerning the matters in controversy in this action, and that he was carefully examined, upon his oath, and his examination reduced to writing under my supervision; and that the deposition is a true record of the testimony given by the witness.

I further certify that I am neither attorney nor counsel for, nor related to or employed by, any of the parties to the action in which this deposition is taken, and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto or financially interested in the action.

In witness whereof I have hereunto set my hand and affixed my notarial seal this _____ day of _____, A.D., 1952.

(Notary Public in and for
 the District of Columbia)

My commission expires
 July 31, 1957.

2 October 1952



Dear Mr. President:

I am thoroughly distressed and very much concerned with regard to two aspects of the flare-up in connection with my testimony in the Benton-McCarthy case.

In the first place, as far as I have read, many newspapers, even such reputable ones as the New York TIMES, in quoting my report to you omitted those parts which gave my considered opinion that the problems of Communist elimination from the Government will continue to be equally difficult regardless of whether the next Administration is Democratic or Republican, and that the plans and machinery now in effect to accomplish this elimination are about as good as can be provided under our American system. Most of those I have read also omitted my statement regarding the constant and effective support you have given to this Agency and to other Establishments of Government concerned with this problem.

As you are aware, I do not often express unsolicited opinions and when I do, as in this case, I say exactly what I think. Therefore, I would like in some way to make these opinions public if you think I can do this without prolonging or intensifying a thoroughly bad discussion to the detriment of this and other Executive agencies

of the Government. I believe it is grossly unfair that you should be charged with having failed to take aggressive action to meet the Communist problem in Government when I know during my own service here that the exact contrary is the case.

In the second place, I find as the result of a phone conversation between one of my staff officers and Congressman Walter, of the House Committee on Un-American Activities, that in the opinion of the Democratic members of that Committee my testimony was the result of disloyal connivance on my part to injure your position or that of the Democratic candidate. This opinion, if general in the Committee, stems of course from my past close official and personal association with General Eisenhower. I am as certain that I have your confidence as I am sure of your realization that I have only one loyalty and that is to the Chief under whom I am serving. As you have known for some time, it is not my intention to continue in Government Service after the end of your Administration and that I have no party allegiance or leanings whatsoever. Thus, while under ordinary circumstances I would be relatively indifferent to such opinions, they involve in the present case an implication of disloyalty which I cannot stomach. Therefore, I am doing what I told you once is the earmark of a poor staff officer;—presenting my own problem for your decision. If I testify before this Committee on October 13th, it will undoubtedly provoke more headlines and more press reaction. Had as this is, I think it would be worse if you

were to tell me not to testify as this would cause a shout that you wanted to conceal something. It is possible that Speaker Rayburn or one of your personal staff may be able to convince Chairman of the Committee John S. Wood that I am neither disloyal nor the instrument of Republican connivance and that if so the Committee would agree to suspend the hearing or to withdraw their subpoena. Actually I can tell them nothing except that I testified under subpoena for the purpose of recording my opinion of General Marshall and the Soviet reaction to the Marshall Plan and that my answer to the question which aroused so much comment was an honest answer given under oath and adequately amplified to the press after the testimony. In any event, your judgment as to the course of action in both matters will be the best and I will be most grateful for it.

Faithfully,



The President

The White House

Classified by	DBI
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CIA-COMMUNISTS

WASHINGTON-(AP)-REPUBLICAN LEADERS TODAY APPEARED TO BE TAKING LONG, SECOND LOOK AT THE QUESTION OF MAKING POLITICAL CAPITAL OF STATEMENTS BY GEN. WALTER BEDELL SMITH ABOUT POSSIBLE COMMUNIST INFILTRATION INTO AMERICA'S TOP INTELLIGENCE AGENCY.

FIRST REACTION IN THE GOP CAMP WAS THAT SMITH HAD HANDED THE REPUBLICANS A PRIME CAMPAIGN TARGET. EARLY YESTERDAY, BEFORE SMITH ISSUED A STATEMENT AMPLIFYING HIS REMARKS, GEN. EISENHOWER WAS REPORTED PLANNING TO DEVELOP IT AS AN ISSUE IN HIS REPUBLICAN PRESIDENTIAL CAMPAIGN.

LATER, HOWEVER, AFTER SMITH HAD READ HIS AMPLIFYING STATEMENT TO EISENHOWER AND TO GOV. STEVENSON, THERE APPEARED TO BE A GROWING RELUCTANCE TO DRAW SMITH'S SUPER-SECRET CENTRAL INTELLIGENCE AGENCY INTO THE POLITICAL CROSS-FIRING.

WHILE SOME INDIVIDUAL REPUBLICANS CONTINUED TO TALK IT UP, A SPOKESMAN FOR THE REPUBLICAN NATIONAL COMMITTEE SAID LAST NIGHT "WE HAVE NO PLAN TO MAKE A POLITICAL FOOTBALL" OF THE MATTER.

EISENHOWER HIMSELF REMAINED SILENT, BUT ONE OF HIS AIDES QUOTED HIM AS SAYING HE WOULD NOT DO ANYTHING TO ENDANGER THE SECURITY OF THE UNITED STATES OR THE CIA.

BARRING ANOTHER CHANGE OF PACE, IT APPEARED THAT THE SUDDEN FUROR TOUCHED OFF LATE MONDAY WHEN GEN. SMITH SAID HE ASSUMED THAT COMMUNISTS HAD PENETRATED INTO EVERY U.S. SECURITY ORGANIZATION, INCLUDING HIS CIA, MIGHT DIE DOWN.

IN AMPLIFYING HIS ORIGINAL REMARKS, SMITH TOLD A NEWS CONFERENCE YESTERDAY THAT IT WAS NECESSARY FOR HIM TO "ASSUME" SUCH PENETRATION HAD OCCURRED.

HE SAID HE ACTUALLY DID NOT KNOW OF ANY COMMUNISTS IN HIS AGENCY ALTHOUGH EVERY EFFORT HAD BEEN MADE AT DETECTION.

YESTERDAY'S DEVELOPMENTS INCLUDED:

1. STEVENSON SAID THE CIA HEAD'S STATEMENTS "MAKE LUDICROUS THE CLAIM OF REPUBLICANS THAT THE JOB OF NABBING COMMUNISTS IN GOVERNMENT IS A SIMPLE PUSH-BUTTON JOB THE GOP CAN HANDLE EASILY ONCE THE DEMOCRATS ARE OUT OF OFFICE.

2. THE WIDELY-PUBLICIZED RADIO-TV BROADCAST BY FORMER REP. CLARE BOOTHE LUCE OF CONNECTICUT ON COMMUNISTS IN GOVERNMENT DID NOT MENTION THE SMITH INCIDENT, ALTHOUGH MANY HAD EXPECTED HER TO PEG HER ADDRESS ON IT.

3. SEN. SPARKMAN SAID IN AN ITHACA, N.Y. NEWS CONFERENCE THAT HE COULD NOT BELIEVE SMITH'S STATEMENTS ABOUT RED INFILTRATION.

THERE WERE OTHER INDICATIONS, HOWEVER, THAT THE MATTER WILL NOT BE DROPPED ENTIRELY.

THE HOUSE UN-AMERICAN ACTIVITIES COMMITTEE DECIDED TO CALL SMITH TO APPEAR BEFORE IT OCT. 13 IN PHILADELPHIA TO TESTIFY ON COMMUNIST INFILTRATION INTO GOVERNMENT AGENCIES.

SEN. PAT MCCARRAN (D-NEV) SAID IN A STATEMENT RELEASED THROUGH HIS OFFICE HERE THAT SMITH'S STATEMENT "EMPHASIZES THE FACT THAT COMMUNISM'S GREATEST THREAT TO THIS NATION IS FROM WITHIN OUR BORDERS."

JC856A 10/1

STEVENS ON

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SPRINGFIELD, ILL.--(AP)-GOV. STEVENSON BORE DOWN ON THE COMMUNISTS-IN-GOVERNMENT ISSUES TODAY WITH A STAND THAT THE GOP IS MAKING A "LUDICROUS" CLAIM IT COULD EASILY END RED PENETRATION OF FEDERAL AGENCIES.

THE DEMOCRATIC PRESIDENTIAL NOMINEE AND HIS STAFF INTENSIFIED, TOO, EFFORTS TO WIN OVER INDEPENDENT AND OTHER VOTERS THROUGH A NATIONWIDE ORGANIZATION OF VOLUNTEERS FOR STEVENSON. SOME 200 LEADERS OF VOLUNTEER UNITS FROM 37 STATES ASSEMBLED HERE TODAY FOR A MAJOR POLITICAL RALLY.

STEVENSON COULD FIND TIME ONLY FOR A BRIEF RECEPTION FOR THEM TONIGHT AT THE GUBERNATORIAL MANSION.

THE ILLINOIS GOVERNOR WAS BUSY, AMONG OTHER THINGS, ON A SPEECH FOR NEXT WEEK TO BE BUILT ALMOST ENTIRELY ON THE EXPLOSIVE COMMUNIST ISSUE.

AT THE SAME TIME, HE TOOK STEPS TO HEAD OFF ANY EXPLOITATION BY GEN. EISENHOWER OF GEN. WALTER BEDELL SMITH'S STATEMENT THAT SMITH BELIEVES, OR AT LEAST OPERATES ON THE ASSUMPTION, THERE ARE COMMUNISTS EVEN IN THE HUSH-HUSH CENTRAL INTELLIGENCE AGENCY.

SMITH BACKED DOWN A BIT FROM HIS ORIGINAL STATEMENT. HE GOT OUT ANOTHER TO THE EFFECT THAT WHAT HE REALLY MEANT TO SAY WAS THAT ANY INTELLIGENCE AGENCY MUST BE ON CONSTANT GUARD AND WOULD BE "CRIMINALLY NEGLIGENT" IF IT DID NOT OPERATE ON THE ASSUMPTION THAT REDS HAVE BEEN ABLE TO MAKE A PENETRATION.

THE GENERAL TOLD REPORTERS THE CIA NEVER SHOULD BECOME INVOLVED IN A POLITICAL CAMPAIGN AND THAT HE HAD SENT HIS SECOND STATEMENT TO PRESIDENT TRUMAN AND TO CANDIDATES EISENHOWER AND STEVENSON.

STEVENSON SEIZED LAST NIGHT ON SMITH'S STATEMENT NUMBER 2, AND SAID THAT TO EXPLOIT THE ORIGINAL ONE "FOR PARTISAN PURPOSES IS THE KIND OF POLITICAL OPPORTUNISM WHICH WILL NEVER CATCH COMMUNISTS."

"A HIGHLY PROFESSIONAL, NON-POLITICAL INTELLIGENCE AGENCY IS INDESPENSABLE TO THE GOVERNMENT, WHETHER A REPUBLICAN OR DEMOCRAT IS PRESIDENT," STEVENSON SAID IN A FORMAL STATEMENT OF HIS OWN. "IT MUST NEVER BECOME A POLITICAL FOOTBALL."

THE DEMOCRATIC NOMINEE NOTED, FURTHERMORE, THAT SMITH WAS EISENHOWER'S CHIEF OF STAFF DURING THE WAR AND "A MAN IN WHOM GENERAL EISENHOWER HAS EXPRESSED IMPLICIT CONFIDENCE." HE SAID, TOO, THAT SMITH'S DEPUTY IS ALLEN DULLES, A PROMINENT REPUBLICAN AND BROTHER OF JOHN FOSTER DULLES, EISENHOWER FOREIGN AFFAIRS ADVISER.

THE WHOLE EPISODE SHOWS, STEVENSON SAID, THAT FIGHTING COMMUNIST PENETRATION IN GOVERNMENT IS A JOB, AND A NEVER ENDING ONE, FOR OUR SECURITY AGENCIES. HE SAID PRESIDENT TRUMAN HAD PICKED THE BEST POSSIBLE MEN FOR THE TASK, REGARDLESS OF PARTY. AND HE QUESTIONED WHETHER EISENHOWER COULD FIND BETTER MEN THAN SMITH, DULLES AND FBI DIRECTOR J. EDGAR HOOVER.

"GENERAL SMITH'S STATEMENT," THE ILLINOIS GOVERNOR SAID, "MAKES LUDICROUS THE CLAIM OF THE REPUBLICANS THAT THIS IS A SIMPLE JOB WHICH CAN BE DONE EASILY IF IT IS TURNED OVER TO THEM."

JC915A 10/1

30 September 1952

STATEMENT BY GENERAL WALTER HEDDELL SMITH, DIRECTOR OF
CENTRAL INTELLIGENCE

Any Intelligence Agency that did not act on the assumption that it would be penetrated at sometime, somewhere along the line, from charwoman to executive, would be foolishly complacent and we would be criminally negligent if we did not act on that assumption. This is not to reflect on the loyalty of our employees or to suggest that any of our Security Agencies are "riddled" with Communists as has been alleged from time to time. We, ourselves, in spite of the most unusual precautions, have never detected a Communist in our ranks in the United States.

However, one of the elementary precautions of Intelligence Agencies the world over is the elaborate security and compartmentalizing of work so that no single individual below the very top level is able to gain the whole picture, even though he may obtain part of it. We have to act on the assumption that our opponents are at least as smart as we are, and that they will gain entrance from time to time. This necessitates constant vigilance in order to keep them out, to prevent them from obtaining vital information if and when they get in, and to detect and remove them as speedily as possible. CIA, in common with all other Security Agencies of Government, is extremely active in exercising such vigilance.

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This statement given to Press at conference 9/30/52--as result of testimony at Benton-McCarthy hearing.

The Record

30 September 1952

Office of the Assistant to the Director (Col. Grogan)

Persons Attending Press Briefing in Administration Bldg., this date, 11:30

W. L. Beale, Jr., Associated Press	Douglas A. Larsen, Newspaper Enterprise Assn.
Thomas Carmichael, TIME-LIFE	Paul Leach, Chicago Daily News
N. Rex Collier, Evening Star	Walter Lippman, N. Y. Herald-Trib Syndicate
Elmer Davis, American Broadcasting	Paul Martin, Gannett News Service
Charles Foltz, U. S. News & Wld. Rpt.	Allen Otten, Wall Street Journal
Don Gonzales, United Press	M. L. Rider, Army Times
Arthur Hadley, Newsweek	Chalmers M. Roberts, Washington Post
Richard Harkness, National Brdcstng.	Ned Russell, N. Y. Herald Tribune
William K. Hutchinson, International	Roland Sawyer, Christian Science Monitor
News Service	Frank Waldrop, Washington Times-Herald
Theodore Koop, Columbia Broadcasting	Richard Thornberg, Scripps-Howard
Lewis Wood, New York Times	

NANCY H. HOAR

30 September 1952

MEMORANDUM FOR THE PRESIDENT

Although you have not asked for it, I believe it my duty to report to you all that has transpired in connection with my testimony in the Benton-McCarthy case. You are already familiar with the basic subject of this testimony, that is, the Marshall Plan and the violent reaction against it by the Soviet Union. I dictated to your secretary the explanatory statement I made to members of the press after giving, in reply to cross-examination, answers which were necessarily brief and susceptible of misinterpretation by anyone who lacked or chose to ignore the background provided by the explanatory statement above referred to. This statement (copy of which is attached) was also given by me this morning to a group of twenty-three radio and press executives. At this conference, I was asked by Mr. Lewis Woods of the New York TIMES:—"The President is quoted as having said that Communists have been pretty well cleaned out of Government. Does your statement contravene this?" I replied that it did not—that Communists have been pretty thoroughly cleaned out of the Government but that this did not in any way relieve Security Agencies from the necessity of continual vigilance. I was also asked by Mr. Elmer Davis of A.B.C. if the President or anybody

else had ever suggested or directed me to go slow in eliminating Communists in my organization or from any other Government agency. I replied that on the contrary you have given this organization the most complete support and while I have no direct responsibility in this connection with other Agencies in the United States, I know that you have similarly and insistently urged effective action in the elimination of Communists.

Also this morning, acting under your instructions to keep both Presidential candidates informed on intelligence matters, I telephoned Governor Stevenson and General Eisenhower, told each of them what had actually occurred, and read to each of them the attached statement. I stated to them, in effect, that it would be deplorable if the precautionary assumptions and procedures of a sensitive organization like the Central Intelligence Agency or of any similar organization were used for political capital at the expense of lowering the efficiency of the organization and shaking the confidence of the public in this and other Executive Establishments upon which any future President of the United States, Republican or Democratic, must inevitably depend for accurate and reliable information and guidance;—that their own experience would confirm the soundness and wisdom of our procedures since they must realize that the problems and difficulties involved will remain constant and equally difficult regardless of whether the next Administration was Republican or Democratic;—and that the personnel engaged in this highly technical work is not easily replaceable. Both indicated their agreement.

To General Eisenhower I also read the following statement attributed to the Chairman of the Republican National Committee: "Republican national chairman Arthur E. Summerfield last night said General Walter Bedell Smith's statement about Communists in government was a 'shocking revelation' and that the G.O.P. would stage a nationwide expose on the subject tonight." I said to him that if he had the same confidence in me which he had previously expressed on several occasions, he would accept my previous statement and that in view of the way this matter had been seized upon politically only he could put a stop to it in the G.O.P. He reaffirmed his confidence, said that he had not known about the broadcast, that he was leaving New York in half an hour but that he would get on the matter at once.

It would be well if there were no further serious attempts to exploit either this organization or the general subject for political purposes, as in my opinion the plans for Communist elimination from the sensitive agencies of Government and the machinery which implements these plans are about as effective as can be devised under our American system.

If you wish me to take any further action, I await your instructions.

SIGNED
WALTER B. SMITH
Director

Enclosure

30 September 1952

The Honorable John S. Wood
Chairman, House Un-American Activities Committee
United States House of Representatives
Hollywood Roosevelt Hotel
Hollywood, California

Dear Mr. Wood:

For your information I am furnishing you a
copy of my statement of today to the Press.

Sincerely,

SIGNED

Walter B. Smith
Director

Enclosure

Statement dtd 30 Sept 52

WBSmith/dr

Distribution:

Orig & 1 - Addressee

3 - Signer (reading;
official;

Director's Correspondence) ✓

30 September 1952

The Honorable Patrick A. McCarran
United States Senate
Hotel Utah
Salt Lake City, Utah

Dear Senator McCarran:

For your information I am sending to you a
copy of my statement of today to the Press.

Sincerely,

SIGNED

Walter B. Smith
Director

gse

Enclosure

Statement dtd 30 Sept 52

WBSmith/dr

Distribution:

Orig & 1 - Addressee

3 - Signer (reading;
official;

Director's Correspondence) ✓

NOV 14 1952

Re: Benton -
McCarthy
case

EXCERPTS FROM RADIO COMMENT

September 30, 1952

EARL GODWIN, 6:15 P.M.

As Walter Bedell Smith says, "It is a wise precaution to assume that the enemy is as wise as we are.".....General Smith made the remark that he assumes that the Reds have infiltrated the Central Intelligence Agency... What it sounded like at first was that the Reds were right there. What it seems he did say was that the Reds are smart enough.....His statement was mild and innocuous....On the basis of the earlier quotation the Un-American Activities Committee decided to call General Smith to see what he can tell that committee about Reds in the government.

ELMER DAVIS, 7:15 P.M.

General Eisenhower...did not refer to the statement of General Bedell Smith, head of the Central Intelligence Agency, that Communists have infiltrated every security organization of the government. The Republicans were delighted. Arthur Summerfield said: "....."General Smith said today that he believed that Communists and their sympathisers had been pretty well eradicated from the government....CIA has never detected a Communist in the ranks of the agency in the United States, but any intelligence agency which did not assume they were there would be criminally negligent.....A part of General Smith's duties is to keep the two candidates informed, and he said that he had sent this amplifying statement to both Eisenhower and Stevenson....He felt that the work of his agency should never have any bearing on political activities.....The Un-American Activities Committee subpoenaed him to appear October 13.

MORGAN BEATTY, 7:30 P.M.

General Walter Bedell Smith, head of the nation's chief intelligence and espionage agency, said yesterday that there are Communists in all of the intelligence agencies in our government. Today he backtracked on his statement and said that he proceeds on the assumption that there are Communists in every security organization of the government.....The testimony on the record is clear and the Republicans are scheduling.....a talk tonight by Clare Boothe Luce.....

The Un-American Activities Committee today voted to have Walter Bedell Smith appear and tell what he knows about Communists in government and do it before the election.

EDWARD R. MURROW, 7:45 P.M. (ROBERT TROUT REPORTING)

General Bedell Smith and Governor Stevenson have now asked that CIA be kept out of politics.....General Smith's statement yesterday was treated sensationally by many newspapers.....The Smith episode shows that the problem of fighting Communist infiltration into government is not a simple one.

In a subsequent statement, General Smith said.

"Any intelligence agency that did not act on the assumption that it would be penetrated along the line somewhere from charwomen to executives would be criminally negligent and we would be criminally negligent if we did not act on that assumption."

"This is not to reflect on the loyalty of our employees or to suggest that any of our security agencies are riddled with Communists."

"One of the elementary precautions of intelligence agents the world over, of course, is the elaborate compartmentalization of work so that individuals below the very top level are not able to gain the whole picture even though they may obtain a part of it. We have to assume that our enemies are as smart as we are and that they will gain entrance from time to time."

"We must maintain a constant vigilance to keep them out, to keep them from gaining vital information if and when they get in, and to discover and remove them as speedily as possible."

General Smith was also ques-

ASSERTS THEY ARE ACTIVE IN ALL AGENCIES

He Takes Stand In McCarthy Case

'Shocking,' to G.O.P.

Republican national chairman Arthur E. Summerfield last night said Gen. Walter Bedell Smith's statement about Communists in government was a "shocking revelation" and that the G.O.P. would stage a nationwide expose on the subject tonight. Former Rep. Clare Boothe Luce (R) of Connecticut, will be the speaker, over the N.B.C. radio and television networks from 10:30 to 11 p.m., EST, Summerfield said.

BY WILLARD EDWARDS

A "moral certainty" that Communist spies have penetrated the agency in Washington was voiced

JOHN SPARKMAN, ALA., CHAIRMAN
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BLAIR MOODY, MICH.
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United States Senate

SELECT COMMITTEE ON SMALL BUSINESS
(CREATED PURSUANT TO S. RES. 54, 81ST CONGRESS)

6 Oct 52 - OR

October 2, 1952

The Hon. Walter Bedell Smith
Central Intelligence Agency
Washington 25, D. C.

Dear Bedell:

Helen was in New York today and brought out the World Telegram with the attached editorial. All I can say is that I hope your testimony is not going to prove of lasting or acute embarrassment to you.

You were a fine guy to give it. I am indebted to you. Once more you said, as you always do, what you honestly think and feel. You are one of our great citizens and one of our great patriots.

I feel that Adlai Stevenson has handled the matter well, and I hope you feel the same way.

My attorney, Gerry Van Arkel, sent me the following paragraph in a rather lengthy letter about many things:

"The by-now already famous statement about Communists in the State Department and CIA was purely volunteered. Magee inquired whether he agreed with your testimony that there had been Communists in the State Department; Smith said he was inclined to agree that was probably true, and added that he was morally certain they were in the CIA. Asked who they were he said that he wished he knew, that he would fire them immediately if he did know, that they were adroit and obviously were trying to infiltrate all security agencies and that one had to assume that they had probably succeeded. At the time the answer seemed entirely reasonable and logical, and the intent of his answer quite clear. It was a considerable surprise to me that the AP and other stories bannered this remark, particularly in the light of the supplemental story which Russ Wiggins and Murray Marder of the Post got from him in the early evening. Butch Fisher, Marx Leva and I have been busy this morning trying to head off any misrepresentation of it in Eisenhower's speech this evening; but it is already evident that the matter has had damaging consequences, which I attribute entirely to tendentious reporting of a perfectly frank and fair statement."

6 Oct 52 - Gen. Smith replied

October 2, 1952

When I was in the State Department I didn't know who the Communists were, if any, but I most assuredly assumed that there might be Communists there. Otherwise I would not have demanded, when General Marshall came in as Secretary, that the FBI be called into the Department. This was a move I had not been able to secure agreement upon previously. General Marshall agreed.

I have not seen the Russ Wiggins and Murry Marder stories, and I happen to think that this issue will die out quickly, even though Senator McCarthy made a big point out of it in his speech in Bridgeport last night. Incidentally the entire Republican hierarchy here in the State, including the two Republican candidates for the United States Senate, turned out to welcome him and to grasp him to their breasts.

I happen to think that your old associate Ike is in strange hands these days. And in strange company. You know my affection for him and I hope you won't mind if I tell you I am sorry for him.

Bedell, I think you did a fine job on this deposition and I don't want you to be embarrassed about it in any way. Most assuredly I am not apologizing.

Very sincerely yours,

A handwritten signature in cursive script that reads "Bill Benton". To the right of the signature, there is a small handwritten number "9777".

William Benton
U. S. Senator

bm

Note: Senator Benton is out campaigning today and thus was not available to personally review and sign this letter. I did not want to hold it up waiting to catch up with him.

Mary K. Garner
Secretary

A Case of Backfire.

The statement by Gen. Walter Bedell Smith, head of the Central Intelligence Agency, that Communists may have infiltrated every security organization of the federal government, including his own, was the candid judgment of an honest man.

It has been blown up out of all proportion to its importance, largely because it was made the same day President Truman boasted that "we've crushed the Communist conspiracy in this country."

That was politics—the same kind of politics which led Mr. Truman to dismiss the investigation of Alger Hiss as a red herring four years ago.

Gen. Smith isn't in politics. It is his business to learn what our enemies are doing and to prevent them from getting our secrets. It would be folly for one in his position to assume that the enemy wasn't enjoying some success.

We all know better than that. Otherwise Russia wouldn't have the secrets of the atom bomb.

Congressional investigations which haven't more than scratched the surface—have revealed that enemy agents penetrated the innermost circles of our government during the war. A few of these agents have been uncovered, for the most part by their own confessions. How many more remain undetected we do not know.

Some people think that this is a matter the FBI can take in stride. All that the FBI can do is to investigate and report. All too often its reports are ignored by departmental loyalty boards which fear to tread on tender political toes.

It is too bad that what Gen. Smith said has been brought into the Presidential campaign. Sen. William Benton of Connecticut is to blame for that. He subpoenaed Gen. Smith as a witness in his political law suit with Sen. McCarthy. All the general did was answer a question during his cross-examination.

Now the House Un-American Activities Committee wants to get into the act and has voted to call Gen. Smith as a witness. That action should be rescinded, as it can do nothing but harm, and Sen. Benton's subpoena has caused too much of that, as it is.

We'll never catch any enemy spies if the Central Intelligence Agency is made a political football by glamour-seeking politicians.

REDS-CIA (TOPS 76)

WASHINGTON-(AP)-GEN. WALTER BEDELL SMITH SAID TODAY HE HAS SUPPLIED BOTH GEN. DWIGHT EISENHOWER AND GOV. ADLAI STEVENSON WITH AN AMPLIFICATION OF HIS TESTIMONY THAT COMMUNISTS PROBABLY HAVE PENETRATED THE CENTRAL INTELLIGENCE AND EVERY OTHER GOVERNMENT SECURITY AGENCY.

THE DIRECTOR OF THE HIGHLY SECRET INTELLIGENCE AGENCY SO TESTIFIED YESTERDAY AT A DEPOSITION HEARING IN THE TWO MILLION DOLLAR LIBEL-SLANDER SUIT FILED BY SEN. JOSEPH MCCARTHY (R-WIS) AGAINST SEN. WILLIAM BENTON (D-CONN.)

LATER SMITH ISSUED A STATEMENT SAYING HE WAS ACTING ON THE "ASSUMPTION" THAT COMMUNISTS HAD PENETRATED SECURITY AGENCIES "SOMEWHERE ALONG THE LINE FROM CHARWOMEN TO ITS EXECUTIVE LEVEL." HE SAID HE DID NOT ACTUALLY KNOW OF ANY COMMUNISTS IN HIS AGENCY.

TODAY'S STATEMENT TO THE PRESIDENTIAL CANDIDATES, WHICH SMITH SAID ALSO HAD BEEN READ TO A SECRETARY TO PRESIDENT TRUMAN, WAS ALONG THE SAME LINE AS HIS AMPLIFICATION LAST NIGHT.

THE WHOLE MATTER ALREADY HAD BECOME A HOT POLITICAL ISSUE. THE REPUBLICAN NATIONAL COMMITTEE SCHEDULED A NATIONWIDE RADIO-TELEVISION BROADCAST TONIGHT BY FORMER REP. CLARE BOOTHE LUCE OF CONNECTICUT, DEALING WITH THE COMMUNISM-IN-GOVERNMENT ISSUE. GOP NATIONAL CHAIRMAN ARTHUR E. SUMMERFIELD SAID SMITH'S TESTIMONY WAS A "SHOCKING REVELATION OF XXX INCREDIBLE LOOSENESS" IN HANDLING GOVERNMENT LOYALTY AND SECURITY PROGRAMS OVER THE PAST 20 YEARS.

EISENHOWER, THE REPUBLICAN PRESIDENTIAL CANDIDATE, BEGAN SHAPING PLANS FOR A CAMPAIGN ATTACK TOUCHING ON SMITH'S STATEMENT.

EISENHOWER, AN OLD ASSOCIATE OF SMITH IN THE ARMY, APPARENTLY PLANNED TO GO INTO THE SUBJECT DURING A MIDWESTERN WHISTLE STOP TOUR STARTING TOMORROW.

SMITH TOLD A NEWS CONFERENCE TODAY:

"IN ACCORDANCE WITH MY INSTRUCTIONS TO KEEP BOTH CANDIDATES BRIEFED ON INTELLIGENCE MATTERS, I READ TO EACH OF THEM THIS STATEMENT WHICH REPRESENTS ACCURATELY AN AMPLIFICATION OF MY BRIEF ANSWERS TO QUESTIONS ASKED AFTER MY SWORN TESTIMONY."

THIS IS THE STATEMENT SMITH SAID HE READ:

"ANY INTELLIGENCE AGENCY THAT DID NOT ACT ON THE ASSUMPTION THAT IT WOULD BE PENETRATED AT SOME TIME, SOMEWHERE ALONG THE LINE, FROM CHARWOMAN TO EXECUTIVE, WOULD BE FOOLISHLY COMPLACENT AND WE WOULD BE CRIMINALLY NEGLIGENT IF WE DID NOT ACT ON THAT ASSUMPTION.

"THIS IS NOT TO REFLECT ON THE LOYALTY OF OUR EMPLOYEES OR TO SUGGEST THAT ANY OF OUR SECURITY AGENCIES ARE 'RIDDLED' WITH COMMUNISTS AS HAS BEEN ALLEGED FROM TIME TO TIME. WE, OURSELVES, IN SPITE OF THE MOST UNUSUAL PRECAUTIONS, HAVE NEVER DETECTED A COMMUNIST IN OUR RANKS IN THE UNITED STATES.

"HOWEVER, ONE OF THE ELEMENTARY PRECAUTIONS OF INTELLIGENCE AGENCIES THE WORLD OVER IS THE ELABORATE SECURITY AND COMPARTMENTALIZING OF WORK SO THAT NO SINGLE INDIVIDUAL BELOW THE VERY TOP LEVEL IS ABLE TO GAIN THE WHOLE PICTURE, EVEN THOUGH HE MAY OBTAIN PART OF IT.

"WE HAVE TO ACT ON THE ASSUMPTION THAT OUR OPPONENTS ARE AT LEAST AS SMART AS WE ARE, AND THAT THEY WILL GAIN ENTRANCE FROM TIME TO TIME. THIS NECESSITATES CONSTANT VIGILANCE IN ORDER TO KEEP THEM OUT, TO PREVENT THEM FROM OBTAINING VITAL INFORMATION, IF AND WHEN THEY GET IN, AND TO DETECT AND REMOVE THEM AS SPEEDILY AS POSSIBLE."

CIA, IN COMMON WITH ALL OTHER SECURITY AGENCIES OF GOVERNMENT, IS EXTREMELY ACTIVE IN EXERCISING SUCH VIGILANCE."

CIA, IN COMMON WITH ALL O

IN, AND TO DETECT AND REMOVE THEM AS SPEEDILY AS POSSIBLE. CIA, IN COMMON WITH ALL OTHER SECURITY AGENCIES OF GOVERNMENT, IS EXTREMELY ACTIVE IN EXERCISING SUCH VIGILANCE."

SMITH, WHO FORMERLY SERVED AS AMBASSADOR TO RUSSIA, AND BEFORE THAT AS CHIEF OF STAFF TO EISENHOWER IN THE INVASION OF EUROPE, WAS ASKED HIS OPINION ABOUT THE NUMBER OF COMMUNISTS IN GOVERNMENT AS A WHOLE.

"COMMUNISTS HAVE BEEN PRETTY THOROUGHLY ERADICATED IN GOVERNMENT," SMITH REPLIED. "NEVERTHELESS, THAT DOES NOT IN ANY WAY QUALIFY THE NEED FOR CONTINUED APPREHENSION AND VIGILANCE."

SO FAR AS HIS OWN SUPERSECRET INTELLIGENCE AGENCY IS CONCERNED, SMITH SAID TRUMAN "HAS GIVEN ME THE MOST COMPLETE SUPPORT. I HAVE THE AUTHORITY TO DISMISS PERSONNEL FROM THE CIA ON A SIMPLE STATEMENT THAT THE INTERESTS OF THE UNITED STATES IS REQUIRED."

SMITH SAID J. EDGAR HOOVER, DIRECTOR OF THE FBI, HAS BEEN "EXTREMELY EFFECTIVE" IN DIRECTING AN INTERDEPARTMENTAL COMMITTEE ON INTERNAL SECURITY THROUGHOUT THE GOVERNMENT.

SMITH IMPLIED YESTERDAY--AS HE DID AGAIN TODAY IN SLIGHTLY DIFFERENT WORDS--THAT SECRET INFILTRATION MAY BE WORKING BOTH WAYS WHEN HE SAID: "WE HAVE TO ASSUME THAT OUR ENEMIES ARE AS CLEVER AS WE ARE AND THAT THEY WILL SUCCEED FROM TIME TO TIME."

HE ADDED YESTERDAY: "IN OUR MEETINGS WE KEEP TELLING EACH OTHER THAT SOMEWHERE ALONG THE LINE WE MUST BE PENETRATED SO WE TRY TO KEEP OUR MOUTHS SHUT AND WATCH OUR STEP. X X X

"I BELIEVE THEY ARE SO ADROIT AND ADEPT THEY HAVE INFILTRATED EVERY SECURITY AGENCY OF THE GOVERNMENT."

CZ/RH138P 9/30

[Faint, mostly illegible text, likely bleed-through or a secondary document page.]

150

BULLETIN

SMITH

WASHINGTON-(AP)-GEN. WALTER BEDELL SMITH SAID TODAY HE BELIEVES COMMUNISTS HAVE INFILTRATED THE CENTRAL INTELLIGENCE AGENCY WHICH HE HEADS, AND EVERY OTHER U.S. SECURITY ORGANIZATION.

JK445P 9/29

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151

WASHINGTON--ADD SMITH (150)

SMITH MADE THE STATEMENT WHILE TESTIFYING AT A DEPOSITION HEARING IN A TWO MILLION DOLLAR LIBEL-SLANDER SUIT FILED BY SENATOR MCCARTHY (R-WIS.) AGAINST SENATOR BENTON (D-CONN).

SMITH WAS CALLED BY BENTON TO TESTIFY ABOUT A SPEECH MADE BY MCCARTHY IN WHICH THE WISCONSIN SENATOR ATTACKED

HAGEE ASKED IF SMITH AGREED WITH A STATEMENT OF BENTON AT A PREVIOUS DEPOSITION HEARING THAT THERE WERE COMMUNISTS IN THE STATE DEPARTMENT.

"I DO," THE GENERAL REPLIED.

"I BELIEVE THERE ARE COMMUNISTS IN MY OWN ORGANIZATION."

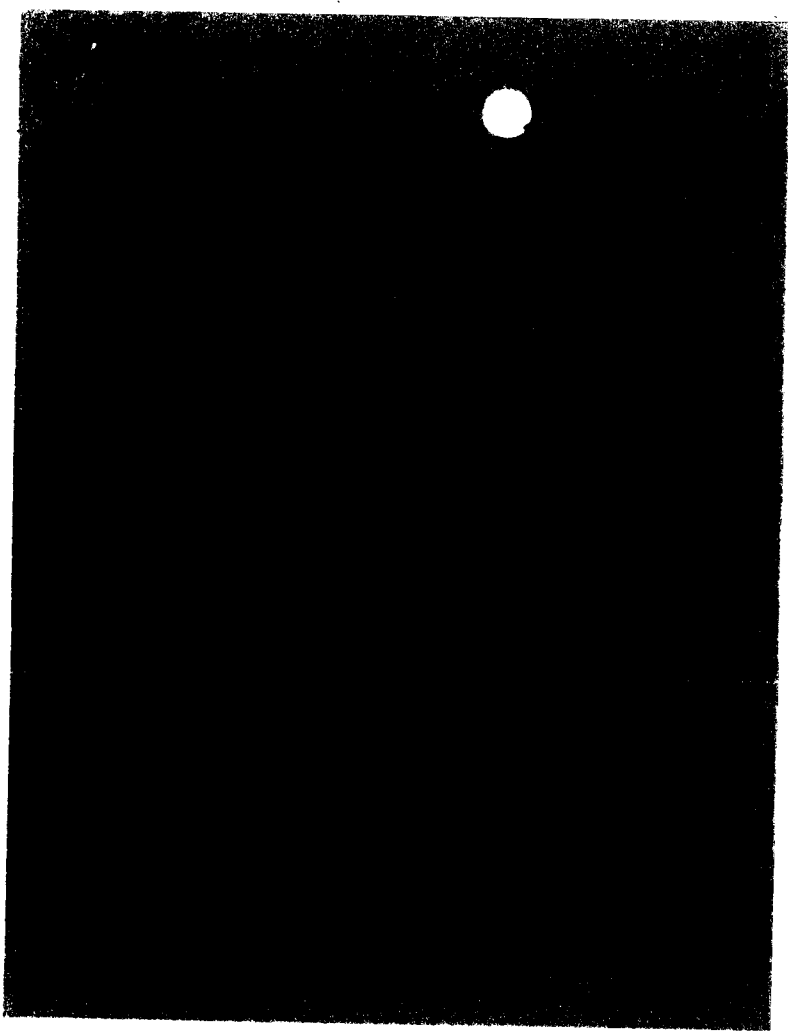
HAGEE THEN ASKED IF SMITH KNEW WHO THEY ARE.

"I DO NOT," WAS THE REPLY. "I WISH I DID. I DO EVERYTHING I CAN TO DETECT THEM.

"I BELIEVE THEY ARE SO ADROIT AND ADEPT THEY HAVE INFILTRATED EVERY SECURITY AGENCY OF THE GOVERNMENT."

BEFORE THE DEPOSITION HEARING COUNSEL FOR MCCARTHY ASKED A FEDERAL JUDGE TO REQUIRE BENTON TO ANSWER TWO QUESTIONS.

JK450P 9/29



JOHN SPARKMAN, ALA., CHAIRMAN
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WALTER B. STULTS, ASST. STAFF DIRECTOR

United States Senate

SELECT COMMITTEE ON SMALL BUSINESS
(CREATED PURSUANT TO S. RES. 55, 81ST CONGRESS)

October 6, 1952

The Honorable W. Bedell Smith
Director
Central Intelligence Agency
Washington, D. C.

Dear Bedell:

Thanks for that nice handwritten note. I think you will be interested in Gerry Van Arkel's letter, which I am attaching.

Yes, your testimony was overwhelmingly in my favor, and the only unhappy facet was some of the headlines which of course had nothing to do with the main subject and the important idea.


I continue to feel profoundly grateful to you.

I gather that you were very skillful indeed in the way you handled the story after it broke.

I wish I could sit down and talk to you about the whole matter. I feel very upset about Ike these days. Very, very upset. I wish I had you here so we could discuss the matter.

I shall be in Washington shortly after election day.

Very sincerely yours,


William Benton
U. S. Senator

amb

COPY

Law Offices
Van Arkel and Kaiser
1830 Jefferson Place NW
Washington 6, D. C.

October 3, 1952

Senator William Benton
Southport, Connecticut

Dear Senator:

It is my impression that the Smith deposition has not hurt, as I at first thought, and may have helped the Democratic campaign.

General Smith's immediate clarifications of what he intended to say (about which I think no reasonable person who heard him could have had any doubts in the first place) made Summerfield's excited first reaction a little silly. Smith's prompt calling of Eisenhower and Stevenson prevented any immediate large scale exploitation of it. Stevenson's adroit observation that Smith's and Dulles' inability to locate Communists in the government indicated the difficulty of the problem effectively turned it to some advantage. Apart from attacks on the McCarthy level, it seems to me that the consequences of the episode are to make it embarrassing to Eisenhower to talk much about "Communists in government" without inviting comparisons on the relative ability of the Democrats and of his former chief of staff to take effective action. David Lawrence, who appears to me an accurate barometer of pedestrian right-wing Republicanism, had a most uneasy column on the issue, and many friendly columnists have drawn the obvious moral threat there is no easy answer - such as McCarthyism - to a difficult problem.

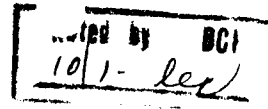
I have expressed to General Smith's counsel my own regrets that the taking of this deposition should have caused him any embarrassment; he cooperated in most friendly fashion with us, and you may wish to drop him a note along the same lines.

As was the case in the Tydings and Morgan depositions, irrelevances were seized on to bury the gist of what Smith really said - which was that McCarthy is a liar.

Sincerely,

Gerhard P. Van Arkel

DEPUTY UNDER SECRETARY OF STATE
WASHINGTON



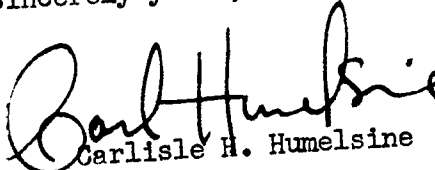
September 26, 1952

My dear General Smith:

Enclosed is the information you
spoke to me about yesterday.

If I may be of any further help,
please do not hesitate to call upon me.

Sincerely yours,


Carlisle H. Humelsine

The Honorable

Walter Bedell Smith,

Director,

Central Intelligence Agency.

Benton - McCarthy case

September 26, 1952

My dear General Smith:

Enclosed is the information you spoke to me about yesterday.

If I may be of any further help, please do not hesitate to call upon me.

Sincerely yours,

Carlisle H. Humelsine

The Honorable

Walter Bedell Smith,

Director,

Central Intelligence Agency.

1. Actual date General Smith was relieved as Ambassador to Moscow and actual day in December that he returned to the United States.

- a. Resignation letter sent through despatch 862, December 17, 1948, to the Secretary of State, asking that the President be notified prior to January 20, 1949 (Note that this is inauguration date.).
- b. Resignation actually accepted by the President on March 25, 1949.
- c. General Smith left Moscow on December 25, 1948; consultation in Berlin on December 26-28.
- d. Arrived in Washington at 1:00 p.m., December 31, 1948.
- e. Consultation in Department of State, December 31, 1948 through January 19, 1949.
- f. Sick leave (39-1/2 days) from January 20, 1949 through February 27.
- g. Sick leave charged to annual leave (16-1/2 days) from February 28 to March 16, 1949.
- h. Consultation in Department of State, March 16, 1949 through March 25, 1949.
- i. Resignation effective close of business, March 25, 1949.

2. Date the Marshall Plan was proposed and enacted.

The Marshall Plan was first mentioned by Secretary of State Marshall on June 5, 1947 before Harvard University.

President's message to Congress on December 19, 1947.

Passed by Senate, March 13, 1948.

Passed by House, March 31, 1948.

Signed by the President, April 3, 1948.

3. Date of first Marshall Plan meeting in Europe.

The first meeting in Europe of the O.E.E.C. was April 16, 1948.

4. What countries accepted the invitation to participate in the Marshall Plan and later reneged?

(See Tab A -- Senate Document 111, 80th Congress,
1st Session.

-- Summary of visit of Mr. Bevin
and M. Bidault.)

5. Date of visit of Masaryk and Benés to Moscow.

Masaryk and Benes visited Moscow during December 1943 in connection with the signing of the Treaty of Friendship and Mutual Assistance between USSR and Czechoslovakia. This treaty was signed December 12, 1943. (See Tab A, page 5 of Senate Document 111.)

6. Date of coup d'état in Czechoslovakia.

The date of the coup d'état in Czechoslovakia was from February 19, 1948 to February 25, 1948.

7. When was the military aid provision established?

Mutual Defense Assistance Program:

President's message to Congress, July 25, 1949.

Passed by House, August 18, 1949.

Passed by Senate, September 22, 1949.

Signed by the President, October 6, 1949.

For interrelationship between economic and military aid, see Tab B--House Document 613 (81st Congress, 2d Session); House Report No. 1265, Part 2 (81st Congress, 1st Session); and remarks of William C. Foster at a hearing before the Armed Services Committee on his nomination to be Deputy Secretary of Defense.

1. Actual date General Smith was relieved as Ambassador to Moscow and actual day in December that he returned to the United States.

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4. What countries accepted the invitation to participate in the Marshall Plan and later reneged?

(See Tab A -- Senate Document 111, 80th Congress, 1st Session.

-- Summary of visit of Mr. Bevin and M. Bidault.)

5. Date of visit of Masaryk and Benes to Moscow.

Masaryk and Benes visited Moscow during December 1943 in connection with the signing of the Treaty of Friendship and Mutual Assistance between USSR and Czechoslovakia. This treaty was signed December 12, 1943. (See Tab A, page 5 of Senate Document 111.)

6. Date of coup d'état in Czechoslovakia.

The date of the coup d'état in Czechoslovakia was from February 19, 1948 to February 25, 1948.

7. When was the military aid provision established?

Mutual Defense Assistance Program:

President's message to Congress, July 25, 1949.

Passed by House, August 18, 1949.

Passed by Senate, September 22, 1949.

Signed by the President, October 6, 1949.

For interrelationship between economic and military aid, see Tab B--House Document 613 (81st Congress, 2d Session); House Report No. 1265, Part 2 (81st Congress, 1st Session); and remarks of William C. Foster at a hearing before the Armed Services Committee on his nomination to be Deputy Secretary of Defense.

A

On the 16th of June 1947, Mr. Bevin visited Mr. Bidault in Paris. They agreed to seek to associate the Soviet Government with their initiative in framing a reply to Secretary Marshall's Harvard speech. On the 27th of June, 1947, Mr. Molotov, with a delegation of some 80 Russians, began discussions in Paris with Messrs. Bevin and Bidault. Apparently Mr. Molotov's major line of inquiry was to find out what kinds of commitments would be involved in this scheme for European recovery. After several days' discussion, Mr. Molotov and his delegation withdrew from Paris.

On the 3rd of July, Messrs. Bevin and Bidault decided themselves to issue invitations to all other European countries except Spain, to attend a conference in Paris. The Czechs accepted this invitation. Shortly after this acceptance, and prior to the conference in Paris of the participating countries on July 12, Stalin in Moscow called in a high-ranking Czech delegation that happened to be in the Russian capital, in anger, and insisted that they withdraw their acceptance--indicating that should the Czechs proceed with their plans to attend, it would be considered an unfriendly act toward the Soviet Union. Gottwald telegraphed Prague and got the Czech cabinet to repudiate their earlier acceptance. There were clear indications that the Poles were anxious to accept the invitation, although they did not do so, and later rejected the invitation. There were similar indications that the Finns were anxious to associate themselves with the Western European countries. Therefore there was no actual association of Eastern European nations with the Committee of European Economic Cooperation, the report of which, sent to Secretary of State Marshall on the 22nd of September, 1947, was an essential element of the European Recovery Program.

"Letter to Bidault, 1947"
Material read from Mr. Bevin's

CIVIL SUBPOENA

United States District Court
for the
District of Columbia

JOSEPH R. McCARTHY
Plaintiff.

vs.

CIVIL ACTION No. 1335-52

WILLIAM BENTON
Defendant.

To: GENERAL WALTER BEDELL SMITH
% CENTRAL INTELLIGENCE AGENCY, 2430 E ST., N.W., WASHINGTON, D.C.

YOU ARE HEREBY COMMANDED to appear in (this court) (the office of CONTINENTAL ROOM,
MEZZANINE FLOOR, STATLER HOTEL, WASHINGTON, D.C.)

to give testimony in the above-entitled cause on the 29th day of SEPTEMBER, 1952,
at 3 o'clock P. m. (and bring with you)

and do not depart without leave.

HARRY M. HULL, Clerk.

By [Signature] Deputy Clerk.

Date Sept 23, 1952

[Signature] Attorney for Plaintiff/Defendant.

RETURN ON SERVICE

Summoned the above-named witness by delivering a copy to h... and tendering to h... the fees
for one day's attendance and mileage allowed by law, on the ... day of ...
19... at ...

Dated ... W. BRUCE MATTHEWS, U. S. Marshal.

By ... Deputy.

Subscribed and sworn to before me, a ... this ... day of
..., 19...

NOTE.—Affidavit required only if service is made by a person other than a U. S. Marshal or his deputy.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

JOSEPH R. McCARTHY,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 1335-52
)	
WILLIAM BENTON,)	
)	
Defendant.)	

NOTICE FOR TAKING OF DEPOSITION

To: Edward Bennett Williams, Esq.
839 - 17th Street, N. W.
Washington, D. C.

Magee, Bulow & Anderson
Shoreham Building
Washington, D. C.

Counsel for Plaintiff.

Please take notice that the deposition of General Walter Bedell Smith will be taken on Monday, September 29, 1952, at 3:00 P.M., in the Continental Room on the Mezzanine Floor of the Statler Hotel, Washington, D.C., before a notary public or some other person duly qualified to administer an oath.

VAN ARKEL AND KAISER

15/ Gerhard P. Van Arkel
Gerhard P. Van Arkel

A copy of the foregoing notice was mailed, via registered mail postage prepaid, this 22nd day of September, 1952, to each of the above-named, at the above addresses.

Gerhard P. Van Arkel

JOSEPH C. O'MAHONEY, WYO., CHAIRMAN
JOHN SPARKMAN, ALA.
PAUL H. DOUGLAS, ILL.
WILLIAM BENTON, CONN.
ROBERT A. TAFT, OHIO
RALPH E. FLANDERS, VT.
ARTHUR V. WATKINS, UTAH

GROVER W. ENSLEY, STAFF DIRECTOR

EDWARD J. HART, N. J., VICE CHAIRMAN
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JESSE P. WOLCOTT, MICH.
CHRISTIAN A. HERTER, MASS.
J. CALK BOGGS, DEL.

JOHN W. LEHMAN, CLERK

Congress of the United States
JOINT COMMITTEE ON THE ECONOMIC REPORT
(CREATED PURSUANT TO SEC. 3 (A) OF PUBLIC LAW 364, 79TH CONGRESS)

October 19, 1952

MAILED BY DCI
10/21 - *lee*

Honorable W. Bedell Smith
Director
Central Intelligence Agency
Washington, D. C.

Dear Bedell:

Thanks and thanks greatly for your handwritten note.

Unfortunately Clare Luce and Joe McCarthy have come in ahead of me, on your earlier testimony.

I shall do my best to follow your admonition. I deeply sympathize with your view point. And I greatly admire you for your last statement.

Very sincerely yours,

Bill
William Benton
U. S. Senator

amb

8 October 1952

Mr. Lloyd Harkins
Hart and Harkins
416 5th Street, N. W.
Washington, D. C.

Dear Mr. Harkins:

I have read carefully the transcript of my deposition taken on 29 September 1952 in the case of Joseph R. McCarthy vs. William Benton. For greater accuracy, I have made and initialed certain corrections, primarily of spelling or clerical errors. They are the answers as actually given by me.

Sincerely,

Walter B. Smith

Walter B. Smith

Enclosure

chrono
personal ✓

Benton - McCarthy

MEMORANDUM FOR: GENERAL LITH

The attached reply was prepared by Mr. Houston, who states that since the corrections are primarily spelling and clerical in nature he does not believe it necessary to take any other action than make and initial these corrections, which you have already done.

If you will sign the deposition at the signature tag, I will have Mrs. Reis notarize it.



Noted by DCI
10/8- *lee*

8 October 1952
(DATE)

HART & HARKINS

General Shorthand and Stenotype Reporting

416 FIFTH STREET, N. W.

WASHINGTON 1, D. C.

NATIONAL 0343

October 1, 1952.

General Walter Bedell Smith,
4400 Garfield Street, N. W.,
Washington, D. C.

Dear General Smith:

Enclosed please find copy of transcript of your deposition taken on September 29th in case of Joseph R. McCarthy v William Benton. Will you please read and sign on page 77. If you will advise me when you are ready to sign I will arrange to witness your signature.

Very truly yours,



Notary Public.