

INVESTIGATION OF THE NATIONAL
DEFENSE PROGRAM

ADDITIONAL REPORT
OF THE
SPECIAL COMMITTEE INVESTIGATING THE
NATIONAL DEFENSE PROGRAM

PURSUANT TO

S. Res. 71

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

RESOLUTIONS AUTHORIZING AND DIRECTING
AN INVESTIGATION OF THE NATIONAL
DEFENSE PROGRAM

TRANSACTIONS BETWEEN
SENATOR THEODORE G. BILBO AND VARIOUS
WAR CONTRACTORS



JANUARY 2, 1947

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

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**SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE
PROGRAM**

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January 2, 1947.—Ordered to be printed

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

ADDITIONAL REPORT

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

TRANSACTIONS BETWEEN SENATOR THEODORE G. BILBO
AND VARIOUS WAR CONTRACTORS

INTRODUCTION

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

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

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

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

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

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

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

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

SUMMARY OF FINDINGS

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

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

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

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

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

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

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

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

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

DETAILED DISCUSSION OF FACTS

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

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

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

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

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

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

