

General SCHLEY. Of course, responsibility is pretty well fixed. I don't have to have a memorandum. I always assume that with something coming from the field, if a paper comes to my desk with the signature on it, certainly that is recommended to me.

Mr. KILPATRICK. The fact that they came to Washington to witness that original contract would show that it was necessary [254] to take it over with somebody in Washington before the contract could be approved, wouldn't it?

General SCHLEY. Let me put my answer a little different from that. I would say it was not usual for the District Engineer to accompany a contract to Washington. I think anything done outside the country might have had a different light thrown on it.

In the Hawaiian office you have a number of contractors. I have not been in the Hawaiian Islands for 40 years, but I have been in Panama a great deal. In Panama you can't find a local contractor except those who have come down to do some work and stay on for another piece of work.

Mr. DILLON. Wouldn't that District Engineer have to be ordered here by somebody higher up?

General SCHLEY. He would have to ask permission to come to Washington or we would send for him to come.

Mr. KILPATRICK. The name of the company, Hawaiian Constructors, would imply that they were only to do business in Hawaii.

Mr. BURTON. On December 16, according to information that the committee has, this contract had not been signed, and it was negotiated in Washington between December 16, 1940, and December 29, 1940. That is, Colonel Wyman did not accompany the contract here, but he came here and it was negotiated in Washington and, as I said before, according to the information we have, that negotiation took place between Paul Grube, T. E. [255] Connolly, yourself, General Hobbs, and Major Newman.

According to Mr. Connolly's own signed statement, he came here on December 16, 1940, and that is the first time he ever heard of the contract.

I think that is all.

The CHAIRMAN. We appreciate your coming here today, General, and Major Knowles, and I wonder if you will make an effort to review whatever records you might be able to obtain, and you might let Mr. Burton know whatever you are able to obtain, and if we deem it necessary to do so we might have you come back and question you further with regard to certain matters.

(Thereupon, at 4:30 o'clock p. m., an adjournment was taken without date.)

ARMY PEARL HARBOR BOARD EXHIBIT No. 11A

Vol. 70

REPORT OF PROCEEDINGS

HEARING HELD BEFORE EXECUTIVE SESSION, SPECIAL COMMITTEE OF THE COMMITTEE ON MILITARY AFFAIRS, HOUSE OF REPRESENTATIVES, U. S., WASHINGTON, D. C., MAY 4, 1944

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[3282] CONTRACT—ROHL-CONNOLLY

THURSDAY, MAY 4, 1944

HOUSE OF REPRESENTATIVES,  
SPECIAL COMMITTEE OF THE COMMITTEE ON MILITARY AFFAIRS,  
Washington, D. C.

The special committee met at 3:20 p. m., pursuant to adjournment, in Room 1310 New House Office Building, Honorable John W. Costello (chairman) presiding.

Present: Representative Costello (chairman), and Representative Elston (Ohio).

Also Present: Mr. H. Ralph Burton, General Counsel to the Committee.

' The CHAIRMAN. I understand, General, that you are prepared to give some testimony to the Committee in connection with the testimony which you gave to us previously, after you had had an opportunity to refresh your memory from documents in the War Department, and so on, in connection with your duties there.

#### STATEMENT OF MAJOR GENERAL JULIAN L. SCHLEY

Gen. SCHLEY. That is correct, sir, and I have been at it from time to time as I found papers in the Chief of Engineers' Office, and kept Mr. Burton informed, as soon as I learned some papers were on the way from the Hawaiian Islands which I knew would throw some light on some parts of it.

[3283] After they did arrive, I have had a chance to look over some of them. I have learned in the last few days that many more are on hand, or rather on their way too, but I thought since it has been some time since I appeared last, I thought I better notify Mr. Burton so that I could at least bring you up to date on the situation.

I would like to correct, first, one point on which I was somewhat hazy when the question was first asked me when I was here before, not having had time to consult the records, and that is, that this particular contract was reviewed and approved after it left the Corps of Engineers, by William S. Knudson, of the Advisory Commission of the Council of National Defense. It was subsequently approved by Robert P. Patterson, as Under Secretary of War. That position of Mr. Knudson and that Commission was one of the steps in the development of those review boards; it was later changed to another board.

Mr. BURTON. You are speaking of contract W-414-E. N. G. 602?

Maj. Gen. SCHLEY. That is correct, sir. Answering one of the questions which the Committee asked me specifically, and that is to see if I could locate any notes, memos, or letters which bore on the conferences or negotiations or anything to alter the contract, and I have done that and I find none. There is some additional information, however, on this particular contract after it was prepared, and that was that the [3284] application for approval of a cost plus a fixed fee form of construction, which we had to do in those early days, was submitted the 14th of December by Colonel Wyman.

The CHAIRMAN. What year is that?

Maj. Gen. SCHLEY. 1940. And forwarded from the Division Engineer, Col. J. D. Matherson, to the Chief of Engineers' Office. On December 18, a letter was written to the Assistant Secretary of War by Lt. Col. Earl E. Gessler, of the Financial Section, similarly requesting authority, or in other words forwarding this application for authority for the use of the cost plus a fixed fee contract. This was approved by the Assistant Secretary of War on December 20, 1940, and this endorsement stated that the Secretary of War had determined it was necessary to enter into a cost plus a fixed fee contract for the construction proposed, and that authority to enter into negotiations of that contractor selected and the constructors—contractors' fee being subject to subsequent approval by the Assistant Secretary.

Mr. BURTON. You spoke of the Assistant Secretary. Do you mean the Under Secretary?

Maj. Gen. SCHLEY. I mean Mr. Patterson. I am not sure whether at that time he was Assistant Secretary or Under Secretary. The records, I think, show at that time Assistant.

On December 26, 1940, Col. Gessler sent a memorandum to me, as Chief of Engineers, with the contract, dated [3285] December 20, between the United States and the constructors. The constructors consisted of W. E. Callahan, of Nebraska, Gunther Shirley, of Nebraska, and Rohl-Connley (spelled C-o-n-n-l-e-y-), a Nevada corporation.

Mr. BURTON. I think it is C-o-n-n-o-l-l-y. I think it is.

Maj. Gen. SCHLEY. I have it another place here. But the contract will show.

On December 28, Col. Gessler sent a memorandum to Commissioner Wm. S. Knudson requesting clearance for the award of contract W-414-E. N. G. 602 with constructors. On December 28, same day, Col. Gessler sent a letter to the Under Secretary of War, now recorded here as "Under Secretary, transmitting the contract and giving certain information concerning it. This was approved by Robert P. Patterson under date of January 3, 1941.

That corrects some approximate information which I tried to give from memory when I came here before.

The Committee wanted to know the supplemental agreements. Do you still want me to give information on them? You now have them, I believe.

Mr. BURTON. Copies of those are now in our office. As I remember, there was an original contract dated December 20, 1940, and there were forty-six supplements.

Maj. Gen. SCHLEY. I might say that the first four [3286] supplements were effected before I left the Service: Number 1 on March 22, 1941; No. 2 on May 5, 1941; No. 3 on May 22, 1941; No. 4 on June 19, 1941.

Now, the other question I was asked was the progress made under the contract. In other words, was the contractor, did he show any great amount of delinquency? I have made a very extensive effort to try to get some information on that, and what I have got is very unsatisfactory, not as to the contractors' progress, but as to my ability with the papers at hand and time at my disposal to check. However, I can throw some light on the subject.

The manner in which the contract deals with the question of time is interesting, and I think it is understandable when we realize the changes which were made as the contract progressed. Indicating that work was crowding on the contracting officer to be done, and that when this contract was entered into, something of that was undoubtedly foreseen. Because it reads as follows as to the time and as to what was to be done specifically: The contract is quite general in what it proposes to be done, and falls under five categories, one of which, for instance, is railroad trackage at location specified in article 1, paragraph 1. When we returned to article 1, paragraph 1, we will see that it still is a very general statement of what is to be done. In paragraph (f) under article 1, section 1 of paragraph 1, is the [3287] following:

Additional work may be required to be done under the terms, if and when additional monies appropriated for National Defense purposes become available, provided such additional work is ordered to be done by the contracting officer.

That, plus the very indefiniteness of these requirements under the contract, show to me that there was not in the mind of the contracting officer, and therefore not in the mind of the contractor, any specific quantity of work to be done, except that the estimated work was a definite number of dollars and cents, and that must have been based on an estimate for doing some particular work.

Mr. BURTON. Do you find there an item, General, for air raid warning stations, and, I think, also, for storage of ammunition?

Gen. SCHLEY. Here is the warning service one. The second of the group of kinds of work to be done: Warning service stations at locations to be determined specified in article 1, section 1. Article 1, section 1, says this, under (b) of article 1, section 1: Aircraft warning service stations on the Islands of Oahu, Hawaii, Maui, and Kauai, involving certain installations including the building of roads, trails, cableways, haulage ways, and other structures appertinent to aircraft warning service, as directed by the contracting officer. That is what the contract includes in that category.

[3288] Then, I read this item on additional work, another paragraph just a little further down, reading as follows:

It is estimated that the total cost of the construction work covered by this contract will be approximately \$1,097,673, exclusive of contractors' fees and that the work herein contracted for will be ready for utilization by the Government within six months from the date of this contract.

Then follows this: It is expressly understood, however, that the contractor does not guarantee the correctness of either of these estimates.

Mr. ELSTON. What was the date of that, General?

Gen. SCHLEY. That is in the contract proper.

The CHAIRMAN. What is the date of it?

Gen. SCHLEY. December 20, 1940. Now, that, I give not to try to prove to the Committee that it is useless to try to pursue that question, because I don't intend to do any such thing; and with the proper group of men to do the research and with all the papers present, it is quite possible to tie together a little more, certainly better than I have been able to do here, those two things, and that is what was expected and what was done.

Now, let's turn to job orders on that same subject. There are a great many job orders, and while I have not been [3289] able to establish the fact, I think no work was done under this contract unless it was covered by a job order. In other words, I don't think the job orders are in addition to what is mentioned in broad terms in the contract, and what is mentioned more specifically



in the several supplements following, but I think that they are all included in the job orders, but I have not been able to establish that.

Now, the job order as to time reads this way :

Estimated time for completion: The job order has the work to be done, the place where it is to be done, commencement date, that is usually the same date as the job order, and estimated time for completion, showing there, again, that, apparently, the relationship between the contractor and the contracting officer was that the contracting officer was to drive the contractor to do the work, the contractor to do it efficiently and rapidly or not, depending on how good a contractor he was.

Now, if you care, I will attempt to go into the several efforts to follow up requirements, as compared to progress, but it is scarcely worth your time, to be frank.

I have one other piece of information to add to what I gave you before, and that is a little more specific about the times when certain officials in the Office of the Chief of Engineers were on duty connected with this kind of work. In general, the Chief of Engineers, the Chief Engineer did work [3290] under two categories: First, entering into the contract, which was a matter of determining the contractor, determining the terms of the contractor, including the work to be done, and having the necessary formalities gone through with, the bonds furnished, signature supplied, and approval of what is called the Contracting Claims Branch. Claims arising out of contracts by the Construction Section, the branch follows it up on contracts. It is the one which handled the reports on progress, and seeing that the contractor—reviewing the work in the field to the extent the Office of Chief Engineer found it necessary and desirable to review them. The Claims, the Contracting Claims Branch, during the entire period that interests me in this particular contract, was under Lt. Col. Earl E. Gessler. I gave you that information over the phone one day, Mr. Burton.

Mr. BURTON. Yes, sir.

Gen. SCHLEY. He was assisted in this work, insofar as these particular jobs were concerned, under Major James B. Newman, from October 7, 1940, to June 4, 1941, when he was relieved. Major Joseph W. Cox was in immediate charge of that work from June 16, 1941, to December 12, 1941.

The construction Section, during the entire time, was under Major J. R. Harden, who is the one which followed up on the progress of the contract. He was there until December 16, 1941, which covers my period.

[3291] One of his three branches, he had one on Navigation and River Improvement, one on Flood Control, and one of—one on Defense Projects, and that branch on Defense Projects, which relates to this work, was under Major E. G. Plank, who happened to come into the office the same date this contract was dated, December 20, 1940, and stayed there all through 1941 calendar year.

Now, the Fortifications Section was under a different part of the office again, Lt. Col. George Mayo. I might explain to you this much to give you a little more background which I had to refresh my memory on as to time. As you know, the Corps of Engineers in time of peace had the construction of all our sea coast fortifications. As a matter of fact, that is the only kind we build in time of peace, so we might say, all of the fortifications. They had also certain public works which are classed under Rivers and Harbors; that is what it is called here, and Flood Control too. The construction work, therefore, was of a civil nature, and the military work—construction of fortifications—was the only part of a military nature, and they came under the military side of the office.

As the Army expanded and work began to increase of defense preparedness, there was transferred to the Corps of Engineers from the Quartermaster's Corps, first, the work on air corps construction. That was done under letter of Adjutant General dated November 20, 1940, one month before this contract. [3292] In those instructions, we were definitely advised that it would not be effective, the transfer, on a certain date, but that the Corps of Engineers would take over from the Quartermaster's Corps each project at each air field as it reached a stage where the transfer could be made in an orderly manner so as not to cause confusion or loss of progress. The result was that it was some period of months before November 20 before that transfer was complete.

All work of the Constructing Quartermaster was turned over to the Corps of Engineers on December 6, 1941. That is a year and two months later—three months.

The organization of the Chief of Engineers' Office changed to meet these changes, the Fortifications Section continuing to do fortifications up to a certain date, which I don't remember, it is past my time, when it was absorbed into the larger construction work. The Construction Section has just indicated setting up a third branch called the Defense Projects Branch, and its first work was to handle this air crops construction which was mostly air fields. And in addition, Newman was set up followed by Cox on what I might call emergency work of further contract in violation of the normal laws after due advertisement and competition by selecting the contractor and making it a cost plus a fee basis. Those men came in to undertake that work.

Mr. BURTON. Have you anything which would throw light [3293] upon the progress of the work concerning the air raid warning stations? According to the contract, those stations were supposed to be completed within six months after the date of the contract, or, at least, after the approval on January 3, 1941, and they were not finished on December 7, 1941, and if you can throw any light on what caused the delay—

Gen. SCHLEY. I am afraid I haven't enough—

Mr. BURTON. We would like to have it.

Gen. SCHLEY. I checked between the requirements and the progress to be able to answer you that question, but feel quite certain—I will verify it in a minute—that there was a good deal of warning stations included also in the supplements. I may be mistaken, I will look it up and see (consulting file). I am quite certain you will find that better in the job orders, which I haven't with me because they are so numerous, but I feel quite certain you will find air raid warning things running through the entire file, not only for this period that I have which relates to me, but also to subsequent periods. I will see whether those I was able to match up whether there was any aircraft warning.

Mr. BURTON. Doesn't the original contract provide that air raid warning stations should be installed on the Island of Oahu?

Gen. SCHLEY. I read to you, I think, everything that is in the contract itself on the subject, and that is in the [3294] second item under the work to be done which says: Warning service stations at locations to be determined as specified in article 1, paragraph 1. And then, turning to that article, under (b) is this expression: Aircraft warning service stations, on the Islands of Oahu, Hawaii, Maui, and Kauai, including certain installations, including building roads, trails, cableways, haulage ways, and other structures appurtenant to aircraft warning service, as directed by the contracting officer.

Now, the job orders—there are many of them—which relate to this aircraft work, aircraft warning work; and it will be necessary to get all progress reports and compare them in order to see if there was a time sufficiently set which was exceeded in the instructions. I have not those and have not been able to find them in Washington. It may be among the things which are coming from Hawaii which are on the way now by regular mail.

The CHAIRMAN. But, General, where the original contract provided for certain air raid warning installations, did these job orders amplify the nature of those installations that were to be put into various places on the Islands?

Gen. SCHLEY. As I said a few minutes ago, sir, I assume that no work was done that isn't covered by a job order, which may be a further detail of what the contracted intended in more general terms to require. But I find this statement [3295] in the contract, and I have been unable to find the part which it refers to. "In accordance with the drawing and specifications, our instructions contained in Appendix A hereto attached and made a part hereof are to be provided hereafter by the Contracting Officer and subject in every detail to his direction and instructions."

Now, you have not in your set that Appendix A, nor have I a set with Appendix A. Appendix B is there, which is a less important paper; it is quite possible all Appendix A's were in the Hawaiian Islands.

Mr. BURTON. You have a set of photostats of the contracts which are similar to those which we have, have you not?

Gen. SCHLEY. I received a set day before yesterday. But I have examined the originals, and I have verified the fact that in those originals there is not this Appendix A. Now, whether that will give the details or whether the job orders are intended to do so is something I am not familiar with. I have seen all the job orders; you now have those, I believe, or they are coming.

Mr. BURTON. I have not received the job orders yet.

Gen. SCHLEY. I have examined all of the job orders pertaining to 1941, and there again I fail to find the design which was referred to, the drawings, but



I find enough, I think, to serve this purpose. When you get them, I think [3296] you will be able to tell pretty well where the job was to be done, what the estimated cost was, and the estimated materials to go into it, date commenced, and estimated time for completion. But you are going to run into this difficulty, which is extremely complicated. Sometimes, you have as many as 24 addendums. There will be Job Order 25 with 24 addendums. Those addendums will add to the job until you get toward the end, and then it begins to cancel some of them. So it is going to be quite an undertaking to tabulate those so that you can see what was under way at any particular time in the progress of every job order. And that job order may run to 1943, some of them do, for something which was started in the early part of 1941.

Mr. BURTON. Insofar as you know, there isn't anything else that would give definite information on the progress of work or reason for delay other than the job order item, except as it may be in the papers which are now enroute. The papers left the Islands, I would say, a week ago by straight mail, probably too heavy for Airmail.

Mr. BURTON. This is off the record.

(Discussion outside the record.)

Mr. BURTON. According to the records of our office, the original contract of December 20, 1940, schedule B, reads: "Aircraft warning stations on the Islands of Oahu and Kauai involving certain installations including buildings, [3297] roads, cableways, haulage ways, and other structures pertinent to aircraft warning service."

Gen. SCHLEY. My copy which I have made here from the contracts have two more Islands: Hawaii and Maui, besides the two you read.

Mr. BURTON. Pearl Harbor is at Oahu?

The CHAIRMAN. Yes.

Gen. SCHLEY. Pearl Harbor is on the Island of Oahu.

Mr. BURTON. That is the particular reason why we were interested in the air raid warning stations?

Gen. SCHLEY. Yes.

Mr. BURTON. Which were, according to the contract, to be installed within six months after the date of the contract?

Gen. SCHLEY. Yes.

Mr. ELSTON. And they were not furnished, not finished when Pearl Harbor was bombed?

Mr. BURTON. That is right.

Mr. ELSTON. And were not finished, as I understand it, for about two months after that, isn't that correct?

Mr. BURTON. That is right.

Mr. ELSTON. Now, General, right in that connection, what action did the War Department take when the contractor didn't complete his contract on time?

Gen. SCHLEY. I would say that a large number of [3298] contracts are not completed on time for various reasons, some the fault of the contractor, and some not the fault of the contractor. I would say that it is not unusual for a contractor to be late in his contract. I would say that what the Government does depends a great deal on the circumstances, and I don't doubt that policies change from time to time with conditions and with individuals who are responsible.

Mr. ELSTON. Do you know what was done in this particular case, if anything, when these air raid warning stations, which were supposed to be completed in six months, were not completed even within a year?

Gen. SCHLEY. Well, of course, I can't agree with you—I don't want to argue, the time was different from six months, but it is worthy of note that the contract was not specific as to the time. It was evidently an estimate. Second,—

Mr. ELSTON (interposing). Well, isn't that a rather inaccurate estimate as it is estimated? They estimated it can be completed in six months and it wasn't completed in a year and two months?

Gen. SCHLEY. I think you have to give weight to the wording in the contract which says that it is expressly understood, however, that the contractor does not guarantee the correctness of either of these estimates. Those two estimates being the cost and the time. And the cost estimate reading in this manner:

[3299] "It is estimated that the total cost, etc., and that the work herein contracted for will be ready, it is estimated that it will be ready."

Now, that is not the form of contract which is entered into. That phraseology is unusual, except in this form of contract, of the cost plus a fee. Where you

advertise for bids, as undoubtedly you know, and then enter into a firm contract to do a specific job, the design and the structure is finished; the estimate of cost is all made by the contractor and by the Government representative; advertisement is made in which bids are submitted, firm bids, and the man, each bidder submits a bond that he would enter into the contract if the contract is awarded to him. Then when it is awarded to the lowest responsible bidder, that bond is released and then he gives bond as he entered into the contract that he will perform this work as required and that requirement, in all cases, we might say, involves a question of time.

When the contractor finishes his job and does it certainly within the time and he has paid the standard amount of money, that, in this kind of contract, is by no means not the case. If you took the time—one man could not do it—but if a group of men investigated this thing and got the picture at any one time of the number of things which the contractor was called on to do, and when the completion dates of those things were, then you could judge at any one time whether he was [3300] seriously in fault. But you must remember the requirements of this original contract were added to and subtracted from as the contract progressed. I am not saying the contractor was not grossly delinquent at the end of six months. He may have been; I don't know that he was, but I do think that in charging or judging, it is proper that the Committee take into consideration that phraseology, which is peculiar to a cost plus a fee form of contract. The contractor has agreed to nothing except that he is willing to accept this amount of fixed fee and he is going to undertake to do the work at a time specified, but no guaranty. He may have been grossly delinquent at the end of six months, but I don't think we have the facts to show it; I haven't, at least.

Mr. ELSTON. There were no bonds given on the contracts of that kind?

Gen. SCHLEY. I don't think so.

The CHAIRMAN. Is there a penalty provision?

Gen. SCHLEY. I don't think so.

The CHAIRMAN. The contract, then, did not ask for any penalties to be paid by the contractor for not making a completion of the work?

Gen. SCHLEY. If I am not mistaken, the remedy is to throw the contractor off the job and enter into contract with another one. If you are faced with that sort of step, you know you are going to cause delay by that very action, and [3301] it is often a very close decision, even if the contractor is delinquent, to keep him on the job and try to drive him, or get rid of him and take the loss which is always part of such a change.

The CHAIRMAN. If you had in most of these contracts a penalty for failure to keep within the time, that is your best incentive to get the contract completed in time?

Gen. SCHLEY. That will stand up in the courts under certain conditions. Sometimes the court will throw out the whole action; in other cases, where you can show real damage, you can.

Mr. ELSTON. Well, that is in a case where something occurs which the contractor could not reasonably anticipate. Do you know whether anything occurred in this case that the contractor could not reasonably have anticipated?

Gen. SCHLEY. That, I could not say, sir.

Mr. ELSTON. He didn't have any strikes, did he?

Gen. SCHLEY. I couldn't say; I have not the facts. I have found in one case that I was able to check through, I did find that the steel for a tower had not been received for coast defense work.

Mr. ELSTON. General, wouldn't there be some record showing why he hadn't completed it? Certainly, a few days wouldn't make a lot of difference, but where six additional months go by and the job isn't completed, there must have been [3302] something in the record to show why it wasn't completed.

Gen. SCHLEY. That may be, sir.

Mr. ELSTON. Well, do you think you could find anything in your records along that line so that we would know what did occur that prevented this contract from being completed short of fourteen months?

Gen. SCHLEY. I think I have consulted, I have reason to believe that I have consulted everything that bears on the subject that is now in the Office of the Chief of Engineers or in the Secretary of War's office. He has some of the original papers. I have no reason to believe that anything has not been shown to me. The files have been searched many times, I have asked specific questions, and have searched them no later than this morning and made my last effort to find some other things, I thought I might be able to locate. However, we must



remember that these things are on the way, and I would say that if this Committee puts a large enough force on it to analyze it for yourselves fully, you will be able to get a satisfactory answer to that very question.

The CHAIRMAN. The supplements, General, are in the nature of a separate contract itself for different items and different amounts?

Gen. SCHLEY. Some of them apparently extend the quarters in the original contract and in each other, and others enter into new kinds of work.

[3303] Mr. BURTON. I thought the original contract of December 20, 1940, was only for \$1,790,000-odd dollars, where supplement six is for \$2,249,600 for construction of underground facilities for various gasoline storage. I could state for the record that the total amount of the contract, the total estimated amount of the original contract and all of the supplements was about \$135,000,000, about 65% of which was completed on January 31, 1943, when the contract was terminated for the convenience of the Government.

Gen. SCHLEY. I could throw some light on that which I ran into in the files, but it doesn't seem to be my part of the responsibilities, so I should, perhaps, leave that for others.

Mr. BURTON. Do you recall whether or not the Rohl-Connolly Company was particularly recommended for efficiency and ability to complete work rapidly?

Gen. SCHLEY. No, I find nothing in the files about that, nor have I personal knowledge of that company. It so happens that the other two companies I do know, and have worked with in Panama. I know them and had very long dealings with them for almost three years. The Rohl-Connolly, the name is new to me, new to me since you have commenced this inquiry; I don't remember having seen it. The Callahan Company is quite well known. There were even more than those three before the thing ended. During my time, supplement 3 [3304] brings in one additional contractor, Ralph E. Wooley.

Mr. BURTON. That is true. At the beginning, Rohl-Connolly Company and then Callahan each had a participation of 40 percent, and Gunther Shirley 20 percent in the Iron Constructors, Inc. Later on, they took in others, and the relative participation was reduced.

Gen. SCHLEY. Off the record.

(Discussion outside the record.)

Mr. BURTON. Well, I think that is about all that we have. That is all the General can give us on the subject.

The CHAIRMAN. Do you have anything more you wish to add?

Gen. SCHLEY. No. I regret I wasn't able to check progress; I would like to have. I examined the general project reports for the Office of the Chief of Engineers, which had circulated in the office from field reports, but it did not pertain to contracts. It was to familiarize the higher officials of the office, what was on the books and how far completed it was, but they were in classes of work. For instance, there would be 700 barrels at a certain location; there would be 53 something else there. But not broken down by contracts. The progress of the contracts were not in those.

The CHAIRMAN. You were located, General, in Hawaii at this time?

Gen. SCHLEY. No, sir, I was here.

[3305] The CHAIRMAN. Here in Washington. You were never over in Hawaii at the time of the progress of these contracts?

Gen. SCHLEY. No, it so happens I did not visit the Hawaiian Islands during my entire four years in the job.

Mr. BURTON. I had asked the General to give us what he could because this contract was negotiated in Washington, and I thought, for that reason, that he might recall some of the incidents related to it.

The CHAIRMAN. You have nothing further to add to any testimony you may have given the Committee regarding negotiations that took place here in Washington concerning the contract?

Gen. SCHLEY. No, sir, nor have I anything at all which bears on the question which you have asked me.

The CHAIRMAN. Those negotiations were not conducted directly by you or with you personally?

Gen. SCHLEY. I did not take part in them at all. I signed the contract as it shows as recommending its approval to the Under Secretary of War.

The CHAIRMAN. That would be done, as you recall, as a matter of routine business like so many other contracts coming to your attention for approval by inferior officers?



Gen. SCHLEY. Yes, except as I said when I was here before, in spite of a number of things of the kind which I signed, I tried to grasp what the thing was that I was signing (3200) to see if there was anything on the fact of it that I wanted to ask about of the responsible officers who were my assistants who were handling it. This was not one of those. There seemed to me to be nothing on the face of this which prompted me to go into it further before signing.

The CHAIRMAN. Any further questions?

Thank you very much, General, we appreciate your cooperation with the Committee.

(Whereupon, the meeting adjourned at 4:30 p. m.)

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ARMY PEARL HARBOR BOARD EXHIBIT No. 12

(Exhibit No. 12 consists in the main of the following photostated items:

Folder of Hotel Biltmore, Los Angeles, records relating to H. W. Rohl, which will be found reproduced as Items Nos. 10, 11, 12, and 13.

Bank statements from Seventh and Figueroa Branch, Bank of America, Los Angeles, relating to Theodore Wyman, Jr., which will be found reproduced as Items Nos. 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23.

Signature cards of Bank of America in name of Theodore Wyman, Jr., reproduced as Items Nos. 24 and 25.

Folder of Daily Records of Long Distance Calls, the Biltmore Hotel, during period July 15 to December 21, 1940, which will be found reproduced as Items Nos. 26, 27, 28, 29, 30, and 31.

The Items to which reference is made, *supra*, will be found reproduced in the volume EXHIBITS-ILLUSTRATIONS, Army Pearl Harbor Board.)

VETERANS ADMINISTRATION

January 1, 1925—Adjusted Service Certificate A-2430,261, \$1507 issued to Colonel Theodore Wyman, Jr.

January 15, 1930—Final settlement by Veterans Administration. Amount—\$782.02 (\$774.94 deducted for loans, interest, etc.)

April 1, 1938—U. S. Life Insurance policy K213061 surrendered for cash, \$3884.99.

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ARMY PEARL HARBOR BOARD EXHIBIT No. 13

JOHN WEINER, INVESTIGATOR FOR HOUSE MILITARY AFFAIRS COMMITTEE

It was expected that at the February 15 hearings of the Committee there would be testimony indicating that during the Spring of 1942 in Hawaii Colonel Wyman and three other Army officers participated in an evening of drinking in a hotel barroom. Wyman became quite intoxicated and stated:

"There are probably a good many things which I have done during my life that are not exactly right, but there is one thing I have not done and that is to sell out my country the way that s. o. b. Rohl did to his German friends. I should never have trusted him and what I should do now is take this service revolver, go out and shoot him and then blow my own brains out."

It is said that Weiner has an affidavit from a Capt. Guiter who was attached to the General Staff at Washington in July 1943 embodying Wyman's remarks.

The day after the carousel Capt. Guiter and the other officers reported the incident to the G-2 office at Honolulu. Nothing was heard for about six weeks when the officers were called in and statements taken. Nothing further was heard of it.

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