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REPORT OF PROCEEDINGS

HEARING HELD BEFORE SPECIAL COMMITTEE OF THE COMMITTEE ON MILITARY AFFAIRS,
HOUSE OF REPRESENTATIVES, U. S., WASHINGTON, D. C., JANUARY 27, 1944—
EXECUTIVE SESSION

Washington, D. C., January 27, 1944

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[2261]

EXECUTIVE SESSION

THURSDAY, JANUARY 27, 1944

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

The special committee met, pursuant to adjournment, at 10:30 o'clock a. m. in room 1310 New House Office Building, Honorable Andrew J. May (chairman), presiding.

Present: Representatives May (chairman), Sparkman, Elston, Martin, and Fenton.

Also Present: Lt. Col. M. H. Knowles, H. Ralph Burton, General Counsel of the Committee, and Mr. Joseph Colgan, Special Investigator.

TESTIMONY OF ROBERT HOFFMAN—Resumed

Mr. BURTON. Before this committee adjourned on January 24, you gave testimony in reference to a report dated April 29, 1942, which appeared in the record as Exhibit 1.

I now ask if you will state to whom you delivered that report and what action was taken?

Mr. HOFFMAN. That report was part of a private deal with the Army to get off of the Island of Hawaii with my family. The suggestion was made by General Farthing, who was in command of the Seventh Air Force Command, that if I would tell the story of [2262] what was happening in a complete report and turn it over to Col. Rice, he would see that I had transportation from the Island within two weeks.

The report was made with five copies, of which four were turned over to Col. Rice in General Farthing's Headquarters at Hickam Field.

Col. KNOWLES. May I ask a question at this point, Mr. Chairman?

The CHAIRMAN. Yes, Col. Knowles.

Col. KNOWLES. Would you mind spelling Col. Rice's name?

Mr. HOFFMAN. As far as I know, I think it would be spelled, R-i-c-e.

Col. KNOWLES. Do you think it could have been "R-o-w" instead of Rice?

Mr. HOFFMAN. It may have been. I just met the man once, that is all. His name may have been Row, but I thought it was Rice.

Col. KNOWLES. Thank you.

Mr. HOFFMAN. The fifth copy I had left at home, and three days later I got a call from General Farthing saying that the report was all wrong and to forget it, and did I have any copies? I said, "Yes," I had one, and if they wanted it destroyed, I would destroy it.

Accordingly, I told Mrs. Hoffman to destroy that copy, but being a thrifty soul, she did not destroy it and stuck it in the [2263] bottom of a trunk and I did not know she had it until five months ago. That is the report that has been submitted in evidence.

Mr. BURTON. Do you recall having written a letter to any officer of the United States Army relative to the conditions you found in Hawaii?

Mr. HOFFMAN. I was in Washington on about January 10, 1943, just about a year ago, for some other business. I tried to get in touch with General T. L. Robbins, the Assistant Chief of Engineers at that time, hoping I could tell him something, as a matter of courtesy, about the way the job was going on up in Canada, the job I had left contrary to the orders of Col. Wyman, but I could not get to see General Robbins. He was too busy, so I wrote him a letter on Roosevelt Hotel stationery here in town telling him I thought the job was pretty bad, and that perhaps if he looked into it a little bit closer, he might make some changes, particularly since the architect engineer was not on the job for three months, and the contractor had not had any plans to work on at all.

I never heard from General Robbins and I never heard of the letter.

The CHAIRMAN. That was January of what year?

Mr. HOFFMAN. January of 1943, just last year.

I promptly forgot about the entire matter, feeling nobody wanted to know anything about the matter, and, therefore, it was no concern of mine.

[2264] Mr. BURTON. Mr. Chairman, at this time, I ask permission to submit a certified copy of a transcript of the testimony taken on the 27th day of February, 1943, before the California State Legislative Joint Fact-Finding Committee on Un-American Activities, containing testimony relative to Hans Wilhelm Rohl and Col. Theodore Wyman, Jr.

The CHAIRMAN. That may be done.

(The document referred to was marked Exhibit No. 2 of 1/27/44.)

Mr. SPARKMAN. May I interrupt right there, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. SPARKMAN. It seems to me at that point in the record it might be a very appropriate place to incorporate a copy of the letter which Mr. Hoffman wrote to General Robbins, if and when you obtain such copy.

The CHAIRMAN. I thought a copy was in the record.

Mr. HOFFMAN. No, a copy of the letter I wrote to General Robbins is not here. It must be in his files.

Mr. SPARKMAN. We can ask for a copy of the letter.

Mr. HOFFMAN. I am sure he will recollect the letter, because it was written in my own handwriting and mailed right here.

Mr. ELSTON. You say it was not even acknowledged?

Mr. HOFFMAN. No, it was not acknowledged.

I left Washington the following day after I had tried to get in touch with him all day in order to tell him about the [2265] situation merely as a matter of courtesy.

The CHAIRMAN. Mr. Burton, I would like to make an inquiry here. Has this witness told anywhere in the hearings—and I have not been present during all the time—what he knows personally and what he observed with respect to when the bombing occurred over in Honolulu?

Mr. BURTON. He has not, and I think it would be proper at this point to describe what he saw.

The CHAIRMAN. I will ask this question: Where were you when that bombing occurred?

Mr. HOFFMAN. I was standing up on top of some framework of a building on Diamond Head.

The CHAIRMAN. How far away were you from the Harbor?

Mr. HOFFMAN. A mile and a half. You could look right down on the Harbor. Maybe it was two miles.

The CHAIRMAN. Would you tell us what you saw?

Mr. HOFFMAN. I had decided to take December 7th off, the first day that I was away from work since I had been over there, and I went out to help a Dr. Campbell, who was building a house on Diamond Head. He had a crew working there on Sunday, and he wanted to know if I would not come over and show those fellows how to get along. So I went over there at about 6 o'clock in the morning and was standing on the studding on the first floor at one of the corners of the room. In my car, I carried a powerful pair of field glasses that I used in my work.

[2266] I would say that shortly after seven o'clock, I saw a lot of black puffs in the sky, and saw a lot of planes flying, and I remarked to the Japanese foreman, Kokuda, that it was funny they would have target practice so early Sunday morning when everybody wanted to sleep. I got down and went over

and got my field glasses from the car and climbed back up where I could get a good look, and at that time, I saw one of the tanks on the side of the road away from Pearl Harbor, hit, and there was a big flame and a lot of black smoke.

Then I put my glasses down and kept looking and it appeared to me that a battleship was rolling and rocking over. I thought my eyes had gone bad, then. When I put my glasses back to my eyes, I could see that was the battleship Arizona that was going over on its side.

Just about that time, Dr. Campbell drove up, and he said that the Japs have attacked us, and I replied that something was going on over there with all of those planes, because none of the planes had split up, and it looked as if there were probably 50 planes in this group.

I got in my car and drove to my home, and as I got into my house I heard the radio calling, "Robert Hoffman, call Col. Wyman," and the radio kept repeating that. I immediately called the operator and she said that I could not call. I told her it was Robert Hoffman and she said, "Yes, they have been trying to get hold of you."

[2267] I got in touch with Col. Wyman, who said, "Get out to Bellows Field and protect that runway," which I did. I was there half an hour later.

I got to Bellows Field just in time to see the first B-17 that was landing on that short strip, come downwind, which was never done, because the wind came in from the sea. It came downwind, rolled over the end of the runway and over the parapet into the antenna, and rolled, I would say, about a hundred feet. Just as he came to a stop, two Jap planes came over the top of him and strafed him. Right behind me was Paul J. Lynch, the area engineer, and of course we were mystified, and we could not understand what was happening, because there had never been a plane larger than a P-40 land on that runway. It was too short and narrow and there was no foundation under it. It could not hold a big ship.

We finally got to the big ship and got the cockpit door open, and there was a group of flyers, all young fellows, and one of them was wounded. I asked the pilot where he came from, and didn't he have more sense than to land on that runway. He asked who I was. I told him, and that I wanted to help them. He told me he was in a flight that left Hamilton Field, and when he was over Hickam Field, the radio went dead, and he did not know where he was going to land, so he wanted to pick a nice, quiet spot on Bellows Field. They did not know what was going on because they could get no radio report of any kind.

[2268] If I remember correctly, the pilot's name was Carlson. I think that is the name that he gave me.

The CHAIRMAN. How long after this first group of ships, this squadron of Japanese bombers, came over, until there was some response from the anti-aircraft equipment?

Mr. HOFFMAN. I would say within ten minutes. It seemed to happen all at once. In other words, you could see the explosions in the air of shells going up. May I go further?

The CHAIRMAN. Yes.

Mr. HOFFMAN. Honolulu was known, as far as the service was concerned, as a Saturday night town. They worked hard all week, and when Saturday night came, they all holed up and it was the party night of the week. Contrary to general belief, people did not play very much in Honolulu during the week, and everybody, if they had a party, it was at their home and things were very quiet around 10 to 10:30 every night except Saturday night.

We were totally unprepared, because, on Saturday night at my home, I would say, around 8 o'clock I had Mr. P. S. Pell, President of the Pell Company in Honolulu, at my home. We were playing bridge, and the radio came on and broke into a program. It was a special announcement from Washington, D. C. If I remember the words correctly, the announcer said that a meeting had just been held and terminated between the Secretary of State and the representatives of the Japanese Government and [2269] that it appeared that probably by Monday everything would be settled satisfactorily.

There was no reason in the world why anybody would expect any attack. In fact, we did not know it was one. It was a total surprise and nobody knew it. Nobody knew it at all. I talked to most of the officers over there after that and nobody knew anything.

The CHAIRMAN. I think maybe that is far enough into that.

Mr. ELSTON. I would like to ask a question at this point.

The CHAIRMAN. Yes.

Mr. ELSTON. The B-17 that came down on this runway at Bellows Field picked out the only runway that was available, did it not?

Mr. HOFFMAN. No, there were two more at that time on the north end of the Island, up by the R. C. A. Station, a small field called Cunningham Field.

Mr. ELSTON. Did these other B-17's come down?

Mr. HOFFMAN. I never found out. I asked the officer how many were in the flight and he said, I think, there were nine that had come over in this flight.

I do not know where the rest of them went.

A very funny thing occurred, however. I saw a moving picture about four months ago, something about an Air Force picture, that depicted the actual flight of these planes in getting over to Honolulu the following morning, and I think the picture was [2270] based on these ships.

Mr. ELSTON. You said the runway was not strong enough to hold a large ship?

Mr. HOFFMAN. No, it was not.

Mr. ELSTON. But was not that runway built to hold bombers?

Mr. HOFFMAN. No, Mr. Elston. That runway was built, primarily, I would say, as a fighter station at that time. All they had on there were P-40's, and in fact the field had not really been started. It was a new field. It was the largest field on that side of the Island.

The runway was laid on dune sands, with a little foundation as an emergency field sometime before that. It was only 75 feet wide and about 3800 feet long, which is not large enough to take a ship of that size. It could not take a B-25 but it did take the P-40.

Mr. ELSTON. I would like to ask one more question of Mr. Hoffman, Mr. Chairman.

The CHAIRMAN. All right, sir.

Mr. ELSTON. In your opinion, if the installations on which you were working and which you have already described to this committee had been handled properly, if they had been completed expeditiously, would it have been possible for the Japs to have gotten into Pearl Harbor and bombed it on December 7?

Mr. HOFFMAN. If your air raid warning stations had been completed, they surely could have detected incoming planes. That [2271] is their purpose. I know nothing about the mechanism of A. R. W. stations. I do not know about that. I do know the actual statements could have been complete because it did not take much construction equipment for these stations.

The mechanical equipment we knew nothing about. That is something the Army was doing themselves. The contractor had nothing to do with the equipment for the actual detection. There was time, as far as construction was concerned, to complete all of the stations they had planned.

Mr. ELSTON. And why were they not completed?

Mr. HOFFMAN. Well, there were just stoppages in work, and lack of plans, and lack of planning. There did not seem to be any coordinated effort between the Army and Army Engineers and the contractors. Everybody seemed to be fighting everybody else. It was the common talk around there after the attack that the reason that the Japs did not come in and invade Honolulu was because they did not want to have to take in the United States Engineers.

We became the laughing stock of the entire country. We were the laughing stock of the whole darn country.

The CHAIRMAN. I would like to make this brief observation off the record.

(There was discussion off the record).

Mr. BURTON. Is it agreeable now, Mr. Chairman, to proceed with Mr. Hoffman's testimony?

[2272] The CHAIRMAN. Yes.

Mr. BURTON. We will take up at the point where he discontinued on January 24.

The CHAIRMAN. Yes.

Mr. BURTON. Will you proceed, Mr. Hoffman, with your statement?

Mr. HOFFMAN. I embarked from Honolulu on May 2, 1942, arriving ten days later in San Francisco, where I was immediately contacted by Col. Theodore Wyman, who had left Hawaii in February of 1942. Col. Wyman suggested that I join him in the creation of the largest project the United States Government had to offer in the building of a pipeline from a point in the Northwest Territory, known as Norman, and which ranged westward a little south to Whitehorse in the Yukon Territory.

At the time Col. Wyman contacted me, I had made plans to go on to South America in a projected plan of building air bases across some of the connecting islands from Chile to New Zealand. Due to the fact that diplomatic relations

had not been broken between Chile and the enemy, there was no possibility of the southern job going on, and after some sales talk on the part of Col. Wyman, I decided to join him in this great project in the Arctic.

At the time that Col. Wyman talked to me there was no contractor on the job, nor could the Colonel tell me who the contractor was, but that I was to go up as general superintendent [2273] in the actual construction of the work.

Accordingly, Colonel Wyman, Mrs. Ruth Wyman, his wife, and I left in a plane from San Francisco on or about the 18th day of May, 1942, and proceeded to Edmonton, Canada, arriving there the 19th. We immediately went to the McDonald Hotel and for the following three or four days, I was trying to find plans of any type or sort that would tell me just what the project was.

On or about the 26th of May, the Colonel called me in to his makeshift office in the hotel and gave me a letter of instruction which directed me to proceed to Waterways, Alberta, 300 miles north of Edmonton and at the head of the railroad where I was to find a suitable site for some 3,000 troops; that I was to provide suitable unloading ramps for unloading operations; that I was to immediately design and erect necessary buildings, warehouses, administration buildings, a hospital and hotel; that I was to prepare roads, repair and strengthen bridges, build a railroad spur into Fort McMurray some three miles distant, and, in other words, to act in general as paymaster, quartermaster, chief engineer for the United States Army, architect-engineer for the Architect-Engineer and chief engineer for the contractor.

Mr. BURTON. Did you know who the contractor was to be at that time?

Mr. HOFFMAN. I did not, sir.

In fact, the actual contract was not signed with the contractor until the 29th or 30th of May, and the actual contract was [2274] not signed with the architect-engineer until the middle of June.

The special transportation that Colonel Wyman provided for me consisted of a two-man open-air gasoline put-put in which I rode three hundred miles in the north country to arrive at Waterways, where I immediately established quarters at the hotel.

The following day I found a suitable piece of ground along the Athabaska River, midway between Fort McMurray and Waterways as the number one site and a second location along the river below the town of Waterways as the second site and when the Colonel arrived three days later and saw site number one, he immediately selected it as the troop camp. Without any attempt on his part to lease the property from the four owners who controlled it, he just took possession and said, "That's it." About four days later the first troop train arrived with troops which I learned had been on the road then for two weeks.

Mr. BURTON. Did you have any quarters prepared for them?

Mr. HOFFMAN. I had nothing. I did not even know they were coming.

Mr. BURTON. How did you take care of them?

Mr. HOFFMAN. I put them out in the open field, helped them put up their tents, and gave them all of the assistance I could, as recorded in the letter from the second officer in charge.

Then I learned that Bechtel-Price-Callahan were the constructors, and that the group, with the exception of Steve [2275] Bechtel, formerly of Bechtel-Kaiser Company, were the same group that dominated and owned the Hawaiian Constructors in Hawaii.

Mr. BURTON. Did that group include Hans Wilhelm Rohl?

Mr. HOFFMAN. To my knowledge, that included Hans Wilhelm Rohl, with this supporting statement: That in February of 1943 when discussing with Paul Grafe in his office in Los Angeles, he told me that due to an investigation by some State Department of California in Mr. Rohl, Mr. Rohl was no longer president of that little syndicate, and that he, Paul Grafe, had assumed that office, I mean the office as president of the syndicate.

Mr. BURTON. Did Paul Grafe say that Rohl had given up his financial interest in the syndicate?

Mr. HOFFMAN. He did not say that Rohl had given up his financial interest in it. He just said that he had given up the presidency of the syndicate. That was the syndicate that was to handle the Canol project.

When the troops started to arrive at Waterways I immediately called Mr. Grafe, who was then in Edmonton, that I needed some help in the form of carpenters and mechanics, and they hastily recruited 205 Canadian men whom they sent to me by special train to Waterways.

I instructed my foreman to secure a service record of the history of these men and learned to my surprise that not one of these men had ever held a position for more than four weeks during the previous two years. They were all cripples, more or less, [2276] running from 35 to 60 years of age, and the type of help that would hang around the various missions and Volunteers of America Hotels.

At that time it was understood there could be no American help transported due to the very low wage scale of Canada's industry and it was explained that it might upset the economic structure of the North Country. However, I was authorized to pay these men 50¢ an hour with no double time for overtime, and this wage scale resulted in a very serious argument between the Ottawa government and the Hudson Bay Company which had set a standard wage scale for laborers at \$30 a month, out of which they paid 75 cents a day for their keep.

The result of my paying 50 cents an hour and working these men ten hours a day, 7 days a week, plus their bunkhouses and meals gave my men \$35 net per week and their board and room, and while it increased the purchasing power of the community 400 percent, the resounding roar from the Hudson Bay Company was heard all the way to Washington. Eventually we were forced to discharge every Canadian because of this dispute.

From May until August we unloaded and loaded 25,000 tons of freight, which was 18,000 tons in excess of any previous yearly loading by the Hudson Bay Company. I designed and erected 20 buildings, put up a utility plant, provided a water supply, built 200 barges, built a railroad spur and drove a trestle across a creek which the railroad said was impossible; provided transportation for some 3,000 troops, built the roads, provided nets and stoves for the soldiers in their experimental trips down the river and, in general, acted as a wet nurse for the entire Army without benefit of plans or direction or anything concrete from anyone including Colonel Wyman himself. [2277]

In fact, the Architect-Engineer, who should have had plans on the job for the contractor to work with, did not have representatives at Waterways until about July 20, after 80% of the work of the first section was completed, but for which he drew a fee for the work which was accomplished.

Mr. ELSTON. How much did he receive?

Mr. HOFFMAN. That I cannot say. That is in the vouchers which are in the main office.

Mr. BURTON. I have a record of that.

Mr. HOFFMAN. Nor were there any plans for the actual direction of the pipeline; nor were there any plans for the tanks at Skagway which were drawn about the first day of August in Edmonton by Turnbull, Sverdrup and Parcel; nor did anybody know or see any plane; nor could anyone tell what they were going to do, when they were going to do it, or how much it was going to cost.

Colonel Wyman arranged the advance payment of some three million dollars to the contractors, so that there was no investment on the part of the contractors, and the amount of equipment which was shipped to me at Waterways was sufficient to have [2278] completed a half-dozen pipelines of the size they contemplated, with 25% of the total I had on hand.

The pipeline was to run from Norman Wells to Norman, which was 50 miles on the east side of McKenzie, then to White Horse, 510 miles in a country where the temperature is 50 degrees below zero, where no pipeline will hold up without having pump stations at least every 30 miles which must be maintained in the cold weather and which is not warranted in the tremendous expenditure and which cannot possibly pay out in at least 200 years.

Mr. BURTON. Do you know of any other potential oil fields that could have been tapped and saved the building of this line?

Mr. HOFFMAN. I do. One-half mile out of the city of Waterways was the first large deposit of what is known as the Athabaska oil sands. When I arrived at Waterways, I discovered that there was a small refinery then in operation turning out approximately 500 barrels of oil a day, which is extracted from these oil sands.

I became interested in the Athabaska oil sands, and much to my surprise I learned from countless authorities that in three issued volumes by the Canadian Government, entitled, "Oil Sands of the Athabaska," that the potential oil reserves exceeded 6,300,000,000 of oil for these sands, and this had been a known fact for some 50 years.

In further talking with the refinery superintendent—and I might mention his name, John B. Cram, formerly superintendent [2279] of the Bartles Oil

Company of Oklahoma—he told me that if he could enlarge the size of his refinery to 2,000 barrels a day it would cost approximately \$2,000,000, and he could turn out more oil than the potential oil field of Norman Wells at a fraction of the contemplated cost.

Mr. BURTON. Had this been called to the attention of Colonel Wyman?

Mr. HOFFMAN. I wrote a letter calling the matter to the attention of Colonel Wyman, and he told me to mind my own business.

The CHAIRMAN. Let me interrupt here to make this statement: Something like a year ago, former Representative Jim McClintic from Oklahoma, who was then an employee in the Department of the Interior, came to my office with some photographs of an oil field in Alaska somewhere and a refinery. He told me the story of the great possibilities of it and asked me to introduce him to Secretary Patterson.

I invited Secretary Patterson to have dinner with me at the Washington Roof Garden and Mr. McClintic also. He was there with his file and his maps and presented the matter to Judge Patterson, and he agreed to look into it and see what there was to it. That is the last I have heard of it and I do not know any more about it, but that was an oil field in Alaska somewhere, and I looked at the derricks standing up in the photograph and tanks for containing the oil, and the building that looked like the refinery. I do not remember any other details.

[2280] Mr. ELSTON. This project you are talking about is in Canada, is it not?

Mr. HOFFMAN. In Canada, yes.

The CHAIRMAN. That is not in Alaska?

Mr. HOFFMAN. That is in Canada, 300 miles north of Edmonton, with a railroad to serve it. This is right at Waterways.

I might add for the record that in the issue of Newsweek which we are trying to locate, either June or July of this year, there was a full-page article in there showing a picture of the refinery there, and quoting some of the prominent geologists which give this as the largest oil reserve, I think, in the history of the world, in these oil sands.

This morning we have a copy of a publication which gives you the area as being 110 miles long and 80 miles wide of nothing but oil sands, oil-impregnated sands, which are known as the Athabaska oil sands.

The CHAIRMAN. What is the name of this project, the Canol Project?

Mr. HOFFMAN. The Canol Project. This had nothing to do with that.

The CHAIRMAN. How far is this refinery from the Canol Project?

Mr. HOFFMAN. One thousand six hundred miles. The Canol Project is 1,600 miles north of Waterways, and from the railroad.

The CHAIRMAN. It is beyond this project you are talking [2281] about?

Mr. HOFFMAN. Beyond this project, farther north of the McKenzie.

Mr. BURTON. I have here two volumes which I obtained from the Library of Congress. One is entitled "The Lower Athabaska and Slave River District—Its Development and Resources." It touches upon these sands.

I have another volume entitled "Oil and Gas Prospects of the Northwest Provinces of Canada," by Wyatt Malcolm, which also refers to these sands.

Mr. MARTIN. I have a question at this point. Is this large deposit of oil sands now reachable by rail transportation?

Mr. HOFFMAN. It is right at the rail head, sir. It has been there. I used the oil for my equipment.

The CHAIRMAN. What grade of oil was it?

Mr. HOFFMAN. Well, it is the finest Diesel oil I have used in my construction experience. The gasoline has an odor which was temperate, and I bought all they would give me at one cent and a half less per gallon than I could buy it from the Imperial Oil Company. When somebody found it, I was ordered to stop buying from the Athabaska oil sands, and to buy from the Imperial Oil Company.

Mr. ELSTON. And you had to pay more?

Mr. HOFFMAN. Yes, but they had the contract.

The CHAIRMAN. Who gave that order?

[2282] Mr. HOFFMAN. Colonel Wyman. I was told to stop. I did not, because I needed oil. I just kept right on.

As a matter of record of the oil, in a volume called "McKenzie on Exploration," which is some 100 years old, you will find there that he originally discovered the oil seepage of the oil sands in the far North when he came down the McKenzie from Aklavik.

Every Eskimo, every explorer, every fur man in Canada, and every geologist knows there has been oil seepage in Canada for a hundred years. It has been no secret.

The Imperial Oil Company did not control the oil sands of the Athabaska, but they did, in this contract, control the drilling operations for the exploration of the Norman Field. I might say this: The little refinery at Waterways was turning out 500 barrels of oil. The process has been proven successful. I was using the Diesel oil, and I say to you it is the best Diesel oil I ever had. I cannot even tell you the name of the people who own the oil property. I do not know.

I was interested in good equipment and good materials. I tried to make a deal with them whereby they would give me all of the 500 barrels every day because I wanted to send the refined oil up the river to the stations, Fort Fitzgerald, Fort Smith, Fort Resolution, and three or four others, which would save the haul from Edmonton up the railroad, and I would be buying it at less money, but the oil was so good that the gold companies up at [2283] the gold fields along Great Slave Lake beat me to it and they made a contract to take the entire output. What they did not take I could have, with the result that I did not get very much of it. I would say perhaps 150 barrels a day, refined, of course, which was not what I needed. I needed a whole lot more than that.

The CHAIRMAN. How long is this pipeline that was built under General Somervell's orders with respect to the Canol Project?

Mr. HOFFMAN. All told, it would 560 miles from the line at Norman Wells to the McKenzie and to White Horse; approximately 560 miles as the crow flies.

Mr. ELSTON. Is this project you were working on part of it?

Mr. HOFFMAN. That was the project. I was the general superintendent of the Canol Project. I was the first man up there.

The CHAIRMAN. Did you call the attention of the War Department to the fact that this other source of supply was available at Waterways?

Mr. HOFFMAN. No, Mr. May, I did not call it to the attention of the War Department, because, as I say, I am nobody. I was nobody there and I am nobody here. I did tell Colonel Wyman, the top officer, about it, and I was told to keep still, so I decided I had better get out of the job as quick as I could.

When my agreement was up, I quit, and I was all through. I wanted no part of it.

[2284] To go further, the Dominion Government of Canada, they are pretty smart and conservative people, have gone into the oil sands and taken over that refinery and they have invested \$500,000 and they will produce more oil within the next six months after they get that refinery working, than the whole Norman Wells project will do.

The CHAIRMAN. Is this the Canol Project?

Mr. HOFFMAN. That is the Canol Project.

Mr. MARTIN. They will produce more in six months than the whole Canol Project can do in how long?

Mr. HOFFMAN. I mean on a daily rate. They will produce more oil with a \$1,000,000 investment than we will with \$250,000,000, daily.

The CHAIRMAN. In other words, Mr. Hoffman means that after they have had six months to bring up the development, they will be doing it.

Mr. HOFFMAN. That is right.

Mr. ELSTON. The Canol Project took longer than six months, did it not?

Mr. HOFFMAN. The Canol Project is not done yet.

Mr. ELSTON. How much time has been consumed already?

Mr. HOFFMAN. Well, I got there on May 18, 1942, and today is January 27, 1944, and they are not done yet.

Mr. ELSTON. How far along are they?

Mr. HOFFMAN. I do not know. I heard somebody say they would [2285] be done in February. Nobody is able to get any information out of there now, and I am not interested enough to find out.

Mr. FENTON. How long were you there?

Mr. HOFFMAN. I was there three months on the first section.

Mr. ELSTON. I was going to ask who owns the Imperial Oil Company?

Mr. HOFFMAN. Standard Oil Company of New Jersey.

Mr. BURTON. Will you proceed, Mr. Hoffman?

Mr. HOFFMAN. The Athabaska oil sands deposits were not controlled by the Imperial Oil Company and evidently were of no interest to them. But had the plan been followed, which competent oil men told me was reasonable and

intelligent to do, the actual operation of refining at that point, and by that point we are talking about Waterways, would have produced within 90 days about two thousand barrels of oil a day that could be shipped by rail and water to Edmonton and to Prince Rupert where it could have been unloaded into barges and towed up the inland passage to Skagway and could have provided more oil than is possible out of the potential oil field of Norman Wells.

Mr. BURTON. You spoke of some equipment that was shipped to you. Can you state how much there was and of what it was composed?

Mr. HOFFMAN. I ordered a one-ton truck or a little sedan for myself to get around and they sent me 24 brand new Ford sedans, which I had to park because there were no roads to drive them on. I ordered two 1½ ton trucks to haul supplies and they sent me 106.

[2286] I had over 60 D-8 bulldozers and over 50 D-7's and 6's. In fact, I had \$4,000,000 worth of equipment that was of no earthly use to the job, because in order to lay the pipeline across the muskeg, it was only necessary to provide a road and you could have but one unit working on that road. Instead of having 100 bulldozers, I could have done just as well with 10.

I might explain that. If you are going through the muskeg, you cannot work ahead of yourself. You have got to provide a road to get your equipment over, and therefore, but one unit can work on that road. If it is all muskeg, you cannot get into a station because there is no road.

The CHAIRMAN. In other words, you build your grade?

Mr. HOFFMAN. You had to, because it was muskeg and swamp and it was impossible to work more than one unit.

The CHAIRMAN. What did you use to pick up the earth?

Mr. HOFFMAN. We had shovels. We had shovels and bulldozers and scrapers. We had all of the equipment in the world. In fact, I got so much equipment in Waterways that I had to go up in the hills and cut trees down and park my equipment and build land to put it on. I had so much equipment I thought I was really going to do a job.

Mr. ELSTON. With whom did you place these orders?

Mr. HOFFMAN. I did not place any orders.

Mr. ELSTON. You said you had placed an order for one car.

Mr. HOFFMAN. That was with our office in Edmonton.

[2287] Mr. ELSTON. Were you not consulted about all this equipment that would be needed?

Mr. HOFFMAN. Nothing. I did not know a thing about it. In fact, I did not even think it was on the way.

Mr. ELSTON. You were the man in charge and the one whom they should have consulted, were you not?

Mr. HOFFMAN. That is right. None of this was pre-planned. On a construction job the general superintendent or chief engineer, as I was, must have something to work from. I must have a plan and I state definitely here there were no plans for that pipeline and there were no plans for that job. There were no plans of any kind until the day I left and then I did not see any.

I did see Mr. Turnbull making up plans for a tank farm up at Skagway which was the supplement to the contract.

The CHAIRMAN. What do you mean by "tank farm"?

Mr. HOFFMAN. They were going to store oil up at Skagway and they were going to build storage tanks. I did not know why they were going to store at Skagway if they were going to bring it across to White Horse—this oil was supposed to go into Alaska—I did not know why they would bring it 110 miles south to go north. Those are some of the things I do not know about.

I did not find out enough about them. I had too much to do as it was.

Mr. BURTON. Off the record.

[2288] (There was discussion off the record.)

Mr. BURTON. I show you a report dated July 15, 1942, addressed to S. D. Bechtel, H. C. Price, Paul Grafe; subject: "Progress Report on the Canol Project, Contract No. W-412-eng.-53, Report No. 1 (Edmonton)" and ask you if that is a report which you submitted.

Mr. HOFFMAN. That is the report, sir.

You will find the equipment lists right on the bottom showing the tremendous amounts I received there.

Mr. BURTON. I ask that that be marked as an Exhibit.

The CHAIRMAN. It is so ordered.

(The document referred to was marked Exhibit No. 3 of 7/15/42).

Mr. BURTON. I submit herewith a copy of the "Norman-Whitehorse Pipeline Project General Equipment—to be delivered at McMurray, Canada (except planes and four Fords)" and ask you if that also is a record of equipment.

Mr. HOFFMAN. That is a record of equipment there, calling for about 16 or 18 planes and a lot of other miscellaneous things.

Mr. BURTON. I ask that that report be admitted as an exhibit.

The CHAIRMAN. All right, it may be done.

(The document referred to was marked Exhibit No. 4)

Mr. BURTON. I submit herewith a memorandum dated June 28, [2289] 1942, addressed to Bechtel, Price and Callahan, Waterways, Alberta, Canada—Attention Mr. Robert Hoffman, and signed Theodore Wyman, Jr., Colonel, Corps of Engineers, Officer in Charge. I ask if you can identify that, Mr. Hoffman?

Mr. HOFFMAN. That is a true copy of the original letter sent to me by Colonel Wyman to do certain work in waterways; an open letter authorizing me to spend as much money as I wanted to without any restriction of any kind.

Mr. BURTON. I ask that that be spread upon the record.

The CHAIRMAN. That may be spread upon the record as an exhibit.

(The letter referred to is as follows:)

WAR DEPARTMENT,
UNITED STATES ENGINEER OFFICE,
McMurray, Alberta, Canada, June 28, 1942.

BECHTEL, PRICE AND CALLAHAN,
Waterways, Alberta, Canada,
Attention: Mr. Robert Hoffman.

DEAR SIR: In accordance with the terms of Contract W-412-eng-53 and in connection with the movement of personnel (Civilian and Military) equipment, materials and supplies, to Norman Wells and other places on the Canol Project, you are directed to perform the following work at Waterways, Alberta, and McMurray, Alberta, and at the locality known as the Prairie, located [2290] between Waterways, and McMurray:

(a) Loading and unloading of freight for the Canol Project delivered by the Northern Alberta Railroad to the railhead at Waterways.

(b) To assist the Hudson's Bay Company in the handling of freight destined for Norman Wells and other points in the Canol Project. Any service rendered to the Hudson's Bay Company will be charged to that company and payment received credited to the United States.

(c) The construction of railroad facilities extending from Waterways to the Prairie with the cooperation of the Northern Alberta Railway and military forces located at Camp Prairie.

(d) The rental of lands necessary for the movement and storage of freight and the construction of necessary facilities to expedite the movement of freight and its transfer from rail to boat, and for such other purposes as necessary.

(e) The reconstruction of the highways from Waterways to Camp Prairie and to the loading ramps located on the Clearwater River at Camp Prairie, and the maintenance of these roads and the construction of such additional roads as necessary at Camp Prairie and to the Clearwater River. This construction will be prosecuted in cooperation with Military forces located at Camp Prairie.

(f) The construction of the following buildings at Camp Prairie: Administration Building, approximately 25' x 130'; [2291] Warehouses for the storage of Quartermaster supplies, consisting of two buildings, approximately 25' x 200'; Board House approximately 50' x 200' to accommodate 104 people; two Bunk Houses, approximately 50' x 200'; to accommodate 104 people; two Bunk Houses, approximately 26' x 100', to accommodate 96 people each; a Mess Hall approximately 25' x 160'; a Hospital Building approximately 25' x 110'; a Post Office Building approximately 25' x 60' and such other office buildings and store houses as may be necessary. Camp facilities for the civilian employees of your Company and such other persons who may be authorized to occupy them.

(g) To furnish camp equipment, including mosquito bars and head nets for crews of tows operating on the Athabasca River system.

(h) To furnish lumber for decking over open boats for use in tows hauling freight down the Athabasca River.

(i) To furnish road oil for the maintenance of all roads being used by either Army or Constructors vehicles.

(j) To furnish a staff of native pilots and guides for use on pioneer tows on the Athabasca River and for such other purposes as may be necessary.

(k) To construct utilities, including water supply, sewer system, electric lighting for Camp Prairie, both Civilian and Military Camps, and to construct refrigerator plants, as necessary, for Warehouses.

[2292] (l) To furnish gravel for the construction and maintenance of the road system and about the railhead and Camp Prairie.

(m) To furnish motor fuel and lubricants to military organizations until such time as a regular supply of motor fuel is established.

(n) To arrange with the Hudson's Bay Company to furnish wood for fuel for the S. S. Athabasca River at Waterways, at a price of \$4.00 per cord. All monies received from the Hudson's Bay Company will be deposited to the credit of the United States with the nearest Finance Officer.

Any stevedore service furnished either the Hudson's Bay Company, Northern Transportation Company or any other common carrier, will be charged to the respective companies and the funds deposited with the Finance Officer for the credit of the United States.

/s/ THEODORE WYMAN, Jr.,
Colonel, C. of E., Officer in Charge.

CC. Bechtel Price and Callahan, Edmonton
Bechtel Price and Callahan, San Francisco
U. S. Engineer Office, Edmonton
U. S. Engineer Office—Canol Project, San Francisco.

Original to Edmonton Office.

Mr. SPARKMAN: Off the record.

(There was discussion off the record.)

Mr. HOFFMAN: Here, on page 3 of the Progress Report [Exhibit 3]. [2293] Paragraph 4, it states:

"Engineering Studies in Connection with the Skagway and Whitehorse Pipeline and Facilities as per Contracting Officer's authorization, dated July 3, 1942."

Does that tell you that there are any plans prepared for that part of the line at all, when it is authorized in this report, as of July 3, that there were no plans of any kind. It is right there under their own signature. This report was prepared by the main office. This is not my report.

Mr. SPARKMAN: I asked you off the record, Mr. Hoffman, if the contract at Edmonton, Canada, about which you have been testifying, was not subsequent to your leaving the job in the Islands and subsequent to the difficulty, if you want to call it such, or certainly the criticism that you had of Colonel Wyman in the Islands?

Mr. HOFFMAN: I knew nothing about the Canol Project or the Canol pipeline until my arrival in San Francisco on May 12, at which time Colonel Wyman contacted me.

Mr. SPARKMAN: It was subsequent to that time, was it not?

Mr. HOFFMAN: It was subsequent to that time.

Mr. SPARKMAN: I am just trying to get this on the record. The question that comes to my mind is this: That after you had known something about the inefficiency, if you want to describe it as such, of Colonel Wyman in the Islands, and you had rather severely criticized him, how did it happen that you undertook [2294] this new project with him?

Mr. HOFFMAN: The first reason was that I received a letter from Colonel Wyman, which is a matter of record, in which he, in the wording of his letter, said he hoped the day would come when he and I could do a real construction job together, and from that letter he infers that all was not well in Hawaii.

Mr. SPARKMAN: You make reference to a letter that has already been put into the record, do you not?

Mr. HOFFMAN: I think it was. It was signed by Colonel Wyman and addressed to me in Hawaii.

Mr. BURTON: This letter is on record on page 2189. That letter is dated March 17, 1942, addressed to Mr. Robert Hoffman, and signed Theodore Wyman, Jr., Colonel, Corps of Engineers, District Engineer. That is in the transcript of records of these hearings, dated January 24.

Mr. HOFFMAN: When I arrived in San Francisco, with no intention of contacting Colonel Wyman, and with the hope that I was going to South America to build some air bases for another contractor, Colonel Wyman contacted me and asked me to come down to his office on Montgomery Street and talk to him about the greatest project that was being offered. He did get me enthused over that project.

It was something new, and they said it was impossible, and that is the kind of a job I wanted.

After a day and a half of telling them that I had an [2295] obligation, and that I had to call the man on the South American work, I learned that diplomatic relations had not been broken between the Axis and Chile and it would not be possible to continue with that work, so I agreed to go with Colonel Wyman for a period not to exceed four months on the first section, and I was to be released after that time.

Mr. SPARKMAN. Did that Colonel Wyman at that time virtually admit that the situation in Hawaii had not been a happy one?

Mr. HOFFMAN. That is correct.

Mr. SPARKMAN. And promised the one in Canada would be a better one?

Mr. HOFFMAN. A much better one, and a different job altogether. In fact, I told Colonel Wyman we could not duplicate what we did over in Hawaii or I wanted to quit right then and there.

Mr. ELSTON. I would like to ask a question about what disposition was eventually made with all this equipment?

Mr. HOFFMAN. Mr. Elston, that is in this record as we go on.

The CHAIRMAN. All right.

Mr. BURTON. Did you offer any protest about the quantity of equipment that was sent you?

Mr. HOFFMAN. Yes, I wanted to know. I asked what the quantity of equipment was for after it arrived, not knowing that it was coming, even. They said it was to build a pipeline. Well, that [2296] is when I decided to get out of there, realizing the construction of a pipeline up in the muskeg country, where I had made several trips for inspection, I decided the thing to do was to get out of that job quickly. My protests would have meant nothing because the equipment was ordered without my consent or advice. It was ordered by the contractor and approved by Colonel Wyman. It had to be approved by him before it could be ordered.

Mr. BURTON. Do you know what became of this equipment?

Mr. HOFFMAN. Yes, if I can go on with the story.

The McKenzie River flows north from McMurray and empties into the Arctic at Aklavik, 1600 miles from McMurray. The river runs over limestone and is never more than 42 inches deep, and therefore, the barges cannot take over three feet of water. When the barges arrive at Fort Fitzgerald, 300 miles north of McMurray, everything must be unloaded and transported over a portage of 20 miles to another town called Fort Smith, and it is then reloaded and sent down the river which enters Great Slave Lake and then westwardly across the end of the lake about a distance of 80 miles and then into the McKenzie and then again up to Norman Wells.

Great Slave Lake is a very treacherous body of water because of its shallowness and a storm can produce 30-foot waves within a half hour. When the first two barges loaded with \$200,000 worth of equipment started north, a storm came up, and the total equipment load of both barges was lost in the only deep spot in [2297] the Great Slave Lake.

The balance of the equipment was left waiting at Fort Smith in 50 degree below zero weather through the winter of 1942-43 with the result that considerably over 25% was lost to future use as there was no cover provided for it. This applies to trucks, maintainers, portable sawmills, shovels, electric welders, air compressors, and all construction equipment of that type.

Mr. BURTON. Let me interrupt there off the record.

(There was discussion off the record.)

Mr. HOFFMAN. As I said, you could not use all of the equipment for the job. It was impossible. You cannot use a hundred bulldozers when you can only work then on the road, with the result that I learned that a friend of mine whose name is Mickey Ryan, who controls the portage between Fort Smith and Fort Fitzgerald, now has a contract to bring the equipment back. I had word just this morning that some of the equipment went up there, never turned a wheel in work, but is now being returned.

Mr. ELSTON. Do you know how much?

Mr. HOFFMAN. I do not know. I just got this word this morning and I will find out within a week or ten days when I will know more.

Mr. MARTIN. About what percentage of the total amount of equipment was lost in that storm?

Mr. HOFFMAN. I would say conservatively 25%. Conservatively, I would say 25%. You cannot leave steel equipment stand out in [2298] 50 degree below zero weather without cover or any care.

Mr. MARTIN. You mean, exposure through the winter?

Mr. HOFFMAN. That is true, and mishandling.

Mr. MARTIN. I also wanted to ask what percentage of it was lost in the storm on the lake?

Mr. HOFFMAN. \$200,000 worth on the two barges. The bulldozers run around \$12,000 apiece and there were eight of those on one barge.

Mr. BURTON. Did you come in contact with an explorer by the name of Stephanson.

Mr. HOFFMAN. I did not. However, I know the explorer's first name starts with V. Stephanson, and I knew of a survey that he made of the potential oil fields of Norman Wells. However, Stephanson's recommendations either for or against, were of no importance, as the original discovery of oil seeping from the ground was made first by the Scotch explorer McKinzie, and then by every other hunter and Eskimo that traveled the area.

There are seven or eight volumes published in the open libraries on the oil seepage of the McKenzie Valley.

Mr. MARTIN. According to geologists, the oil field deposits of the Athabasca were a part and parcel of the same seepage.

Mr. BURTON. Do you know of any work that was performed by the soldiers on this project?

Mr. HOFFMAN. Yes, I used soldiers in the building of the railroad, in the building of the airport, and in laying the [2299] utility pipelines of the camp.

There was not sufficient work for the soldiers sent to this camp. When I asked one of the officers why they had troops up there, he said they were there in case of invasion. It developed that these troops were engineer labor troops, and there were only 9 rifles and 4 pistols among the 3,000 men there. They were not gun troops.

Mr. BURTON. Did these labor battalions help to do the work?

Mr. HOFFMAN. These labor battalions helped me to build the railroad, helped perform other labor. Of course, the total expenditure of the cost of the project was figured in the amount of the fee to be paid to the contractor.

Mr. BURTON. You mean the fee paid the contractor was based on the estimated cost of the work done?

Mr. HOFFMAN. That is right. The contractor took the credit for all of the work performed up there. It was *my* railroad, *my* project, *my* buildings, *my* this and *my* that, although a large part of the work was performed by Army battalions.

Mr. BURTON. Then a large part of the work was performed by the Army battalions?

Mr. HOFFMAN. I would say not a large part, I would say a generous part at the Waterways station, which was the first section of the work. They had to build that before they could go farther north.

Mr. BURTON. Did you find any lack of equipment for the [2300] soldiers?

Mr. HOFFMAN. Yes. Due to the fact I did not know what troops were going to be there or the purpose they were going to be therefor—I knew they were engineer troops, of course, and an engineer, to me, means the man who does the things—I neglected to take my level and my transit with me from San Francisco.

When I was ordered to build the railroad and to drive the trestles, I had to have a level to set the grade for the bed. Of the 3,000 engineer troops, there wasn't a level or a transit among them. The engineers that were there were not that kind of engineers. They were pontoon and labor battalions, but called engineers of the Army.

Mr. BURTON. Do you know anything about the character of the officers who were sent there to supervise this work for the Army?

Mr. HOFFMAN. The officers were not capable of supervising that type of work up there. These were primarily labor battalions, with probably one or two companies specialized in pontoons.

Mr. BURTON. How about Colonel Wyman and his staff?

Mr. HOFFMAN. Colonel Wyman did not have a staff. He had to accept these officers who came with these troops.

Mr. BURTON. How did they conduct themselves?

Mr. HOFFMAN. Just like a bunch of fellows in the country without responsibility. There was not enough for them to do. They were not the best behaved officers.

Mr. ELSTON. What was the highest ranking officer in command?

[2301] Mr. HOFFMAN, A lieutenant colonel. The first ranking officer was Jim Krueger, the son of Lt. General Krueger, whom I might say was drunk 50% of the time up there. There were some officers there that were really sincere. I particularly refer to the medical officers who had a job to do, and they did a marvelous job up there. As far as sanitation and keeping the men healthy, for the bugs and mosquitoes and flies were such that they would really make you sick if they bit you often enough, the doctors did a marvelous job.

Mr. BURTON. You had a little something to say about the contractors. What part did they play?

Mr. HOFFMAN. The contractors themselves knew less than the engineers and had no plans to build the project. The contractors were interested primarily in spending the money to secure a fee, as was evidenced by the building up of an office force of some 200 people that had nothing to do for three months, while the only work that was going on was the work I was doing in Waterways with three people.

The CHAIRMAN. That was on a cost-plus-fixed-fee contract?

Mr. HOFFMAN. That is right.

Mr. ELSTON. Did the cost of the material enter in any way into the fee?

Mr. HOFFMAN. Yes, the cost of the project. The entire cost of the project, the fee is based on that and the only way the contractor can secure his earned fee is by the report of [2302] expenditures.

Mr. ELSTON. And all these bulldozers and these other items of equipment that you say were unnecessary but were sent up there nevertheless, who paid for those, the contractor or the Government?

Mr. HOFFMAN. The government paid for everything.

Mr. ELSTON. Did the cost of that equipment have anything to do with the fixing of the fee of the contractor?

Mr. HOFFMAN. It is included in the total cost of the project. If you will look at that report again, you will find that the original estimated cost of that project is \$30,000,000. The original estimated cost of the project is \$30,000,000 with a fee of \$1,500,000.

Mr. ELSTON. And the \$30,000,000 includes all the equipment?

Mr. HOFFMAN. Everything that is the cost of the project.

Mr. ELSTON. And the fee was \$1,500,000?

Mr. HOFFMAN. \$1,500,000.

Mr. ELSTON. And that was arrived at in what manner, do you know?

Mr. HOFFMAN. No, I do not.

The CHAIRMAN. That was fixed by the Blossom board down here?

Mr. MARTIN. But the exact number of bulldozers and the other equipment did enter directly into the computations?

Mr. HOFFMAN. No. The fee is based on an approximated cost [2303] of a job.

The CHAIRMAN. On a percentage basis?

Mr. HOFFMAN. On a percentage basis. In other words, that job was supposed to start at \$30,000,000 and the fee was \$1,500,000. The fact it ran to \$130,000,000 by supplements, nullified the original fee altogether.

The CHAIRMAN. But there would be additional fees fixed?

Mr. HOFFMAN. There were additional fees fixed.

Mr. MARTIN. Then the cost of this additional excess equipment was finally reflected in a larger fee?

Mr. HOFFMAN. Yes, it must be.

Mr. ELSTON. And some of that \$1,500,000 fee was paid rather early was it not?

Mr. HOFFMAN. That is right. It was paid right off. In fact, they had to advance the money before they started.

Mr. ELSTON. Do you know how much they were advanced?

Mr. HOFFMAN. \$3,000,000.

Mr. ELSTON. I mean do you know how much of their fee was advanced?

Mr. HOFFMAN. No, Mr. Elston, but the way the auditing was set up in Edmon- ton, the contractor got \$3,000,000 to start doing business. The Army Engineers, of course, through their auditing department would check expenditure of money, but that did not stop the contractor from paying any such bills, that he thought necessary and right, and whether it was a fee or a bill, it would [2304] not make a bit of difference.

The CHAIRMAN. Except if they were bills accumulating on and on until it ran to \$130,000,000 or \$150,000,000, his fee on the side would be increased accordingly, would it not?

Mr. HOFFMAN. For every addition on there, there was a supplement issued. The Architect-Engineer had ten supplements in addition to the original contract, and for each one they got an additional fee.

Mr. ELSTON. I am not clear what it was that increased the cost of the original project to about \$130,000,000.

Mr. HOFFMAN. Mr. Elston, if there are no plans for a project and you do not know what you are going to do, how can you estimate the cost?

Mr. ELSTON. The thing that is going through my mind is this: Were there additional projects taken on that ran it above a hundred million, or was it the original project that they estimated at \$30,000,000 and later found it would cost more than \$100,000,000?

Mr. HOFFMAN. They added more work to it, but they had no plans for the original project. I do not know what the original project was. I have never seen a plan of the line.

Mr. ELSTON. What was the \$30,000,000 based on?

Mr. HOFFMAN. It was based on drawing a line and some drilling and getting the line into Whitehorse with a refinery.

Mr. ELSTON. Was that not the ultimate project?

[2305] Mr. HOFFMAN. That was supposed to be the ultimate project.

Mr. ELSTON. So the very plan they had in the beginning, if it was a plan at all, was the plan they ultimately intend to complete and which will cost over \$100,000,000?

Mr. HOFFMAN. That is correct.

Mr. ELSTON. So that they missed—

Mr. HOFFMAN (interposing). The boat.

Mr. ELSTON. No, their estimate was perhaps only 25% and maybe less than that of what it actually cost?

Mr. HOFFMAN. That is correct.

Mr. ELSTON. Of what it will actually cost.

Mr. HOFFMAN. I think if you take in all the costs, the line will run in excess of \$250,000,000, if you take in the costs of your troops and everything else.

Mr. ELSTON. It is worse than the Pentagon Building.

Mr. HOFFMAN. Well, as bad, anyway.

Mr. FENTON. Mr. Hoffman, if you had not seen any plans at all, how did you proceed with your work?

Mr. HOFFMAN. In that letter, sir, from Colonel Wyman, I could have spent the entire Treasury of the United States, based on this letter. He tells me here that I can build buildings; that I can reconstruct the highways; that I can rent all the lands; that I can construct railroad facilities; that I can assist the Hudson Bay Company in the handling of freight and I can load and unload freight; cut wood for the Hudson Bay Company at a price of [2306] \$4.00 a ton, when it costs me \$6.24 to cut and deliver it; that I can furnish stevedore service to either the Hudson's Bay Company, Northern Transportation Company, or any other common carrier; I can furnish a staff of native pilots and guides; I can construct utilities, including water supply, sewer system, electric lighting and everything else. He goes on further and states that I can construct any such a thing that I think is necessary in my own belief.

Mr. ELSTON. Who were you working for? Who paid you?

Mr. HOFFMAN. The contractor.

Mr. ELSTON. Did you have any contact at all with the heads of this firm or were you dealing all with Colonel Wyman?

Mr. HOFFMAN. They were with Colonel Wyman. I never saw the heads of my concern for a month and a half.

Mr. ELSTON. When you did finally see them, did they give you orders, or anything of the kind?

Mr. HOFFMAN. No, they told me to get along with Colonel Wyman, that I was doing fine. We lived right next to each other, but I was fighting with him all the time.

Mr. FENTON. He would tell you what you were to do the next day?

Mr. HOFFMAN. He would tell me to build a 60-bed hospital and I would ask about the plans and he would say—and I will put this in the record—"What the Hell have I got you here for?"

[2307] Well, I am no designer. I am an engineer. He would say, "Can't you draw plans?" I would say, "I haven't got the time." Then he would say, "Put up a hotel of 200 rooms". So I went ahead and built the hotel. I was five minutes ahead of the carpenter. When I got through in my spare time, when

I was resting about midnight, I would get out the board and draw the plans. I was working on reverse.

Mr. ELSTON. What kind of plans did you draw?

Mr. HOFFMAN. I was pretty good.

Mr. ELSTON. I have no doubt you were, but did you draw plans from which you took blueprints?

Mr. HOFFMAN. Yes.

Mr. ELSTON. Were specifications written up?

Mr. HOFFMAN. I wrote the specifications for just what was put up.

Mr. ELSTON. Were you your own draftsman too?

Mr. HOFFMAN. I was.

Mr. ELSTON. Did you not have draftsmen?

Mr. HOFFMAN. The architect-engineer did not show up. In fact, I built his office without any plans, and when he got there he thought I had done a pretty good job.

The CHAIRMAN. Off the record.

(There was discussion off the record.)

Mr. BURTON. If you will continue your statement, Mr. Hoffman.

[2308] Mr. HOFFMAN. Men that I had in Hawaii as superintendents and foremen and who were earning anywhere from \$300 to \$500 a month were sent up north for the contractor and they were drawing salaries from \$500 to \$800 a month, and were given bonuses along in November of 1942 for meritorious conduct.

Mr. Bendit, who was chief auditor and who since has left the organization, told me personally the bonus payments exceeded \$150,000, which were made by the contractor to the men.

The CHAIRMAN. Were these Japanese employees that you had over beyond or American?

Mr. HOFFMAN. No, these were all American. There were no Japanese on this job at all, sir.

Mr. ELSTON. You said a while ago you were compelled to get rid of your Canadian help, did you not?

Mr. HOFFMAN. Yes.

Mr. ELSTON. Because you were upsetting the labor market in that area?

Mr. HOFFMAN. That is right.

Mr. ELSTON. And you were paying those men 50¢ an hour?

Mr. HOFFMAN. That is right, sir.

Mr. ELSTON. When you got rid of them, who did you get in their places?

Mr. HOFFMAN. They sent up Americans at 90 cents and one dollar an hour and their keep.

Mr. ELSTON. Were they more efficient?

[2309] Mr. HOFFMAN. No, on the contrary they were not. The average Canadian laborer in the North Country is a worker because he has to work to survive in the north woods.

Mr. ELSTON. How many Americans did they send up there?

Mr. HOFFMAN. The shipments were coming in there pretty fast. At one time, I had, I would say, about a thousand.

Mr. ELSTON. So, with the manpower shortage, or alleged manpower shortage in the United States, you were compelled to get rid of Canadian labor and use American labor that had to be transported up there?

Mr. HOFFMAN. That is right, sir.

Mr. ELSTON. They were transported clear up into that country and given wages at least double what you were paying the Canadians?

Mr. HOFFMAN. That is right, sir.

Mr. MARTIN. And a greater number of laborers than you could use?

Mr. HOFFMAN. That is right, sir.

Mr. ELSTON. On whose orders did you do that?

Mr. HOFFMAN. I did not even order them. They were sent there. I did not even know they were coming.

Mr. ELSTON. Who ordered you to discharge the Canadian help?

Mr. HOFFMAN. The original letter came from Colonel Wyman to Bechtel, Price and Callaghan, at Edmonton. I got a copy of the [2310] letter. They attached to it a memorandum and said, "please comply."

Mr. ELSTON. What would you say the substitution of American labor for the Canadian labor amounted to in dollars and cents, all told?

Mr. HOFFMAN. It would be very difficult, Mr. Elston, for me to estimate, because after I left I had no knowledge of the job. However, you could get those records out of the voucher files. They are very complete.

Mr. ELSTON. I think we should get them.

The CHAIRMAN. Yes.

Off the record.

(There was discussion off the record.)

Mr. BURTON. For what reason and when did you leave the Canal Project?

Mr. HOFFMAN. I left the Canal Project on August 3, 1943, after being warned in a wire by Colonel Wyman that I could not leave. I wired him back that I was leaving just the same.

When I got to Edmonton on the train with my family, I was advised that Colonel Wyman was looking for me, and Sunday morning at 100 o'clock, I got a call from Colonel Wyman saying he would like to talk to me and for me to come to his office which was then in the McLeod Building in Edmonton.

He wanted to know why I was leaving and I told him the job smelled to high heaven and that I was getting out of there, and [2311] quick.

He asked me if I had another job, and I answered, "No," which was the truth. I did not have anything in mind. I just wanted to get away before it opened up. By that I mean before they started investigating the job, which had to come.

Colonel Wyman said, "You are the only man that has accomplished anything here and knows what is going on. The contractor has received no reimbursement for any expenditures for materials and supplies."

He said, "Won't you please sign the Receiving and Inspection reports so that the Bechtel Company can get its money out of this thing? I will regard that as a personal favor."

Accordingly, I told him I would, and for five days I signed Receiving and Inspection reports to the tune of 80,000 stampings and 26,000 signatures, and those Receiving and Inspection reports bear my signature for the material I know had actually gotten up to Waterways. Those R. and I. reports which I could not identify were set aside without signature.

In the three months of operation, the Army had not made out a single receiving and Inspection report for anything received on the job, although the engineers' office crew was exceptionally large.

In other words, there is no record today, nor can anybody identify some of the missing equipment that came up there originally, and the only records of receipt of equipment was the record [2312] I carried in my office at Waterways, and which is part of the files there now.

Mr. ELSTON. May I ask a question, Mr. Hoffman?

Mr. HOFFMAN. Yes.

Mr. ELSTON. When you signed those Receiving and Inspection reports, did you have any records in your possession that you checked against those?

Mr. HOFFMAN. I did. That is what I am talking about, the records that I had made myself and out of, well, there must have been 2000, or maybe more, each one of these reports had 10 or 11 copies and it was a big job, because I got a girl and worked in the hotel, worked up until 1 or 2 o'clock in the morning to get these things out.

Where it would not check with an actual record from my file, of actually having been received, I would refuse to sign. I had no right to sign those R. and I. reports. I was not an Army man. They should have been signed by the Architect-Engineer, who should have been on the job and for which he drew a few from the United States Engineers.

I merely acknowledged that this material had been received at Waterways, was either shipped north or used on a certain project and that corresponded with my daily reports, which are on file up there now.

Mr. ELSTON. You did not certify that the equipment was used?

[2313] Mr. HOFFMAN. No, just received and each number. The material came up unnumbered and I put the allocated number on the equipment which corresponded with my file and which were in use from that time on.

In other words, I gave each one an identity. I signed nothing that I could not identify positively. It was either there or it was not.

The CHAIRMAN. Is that all, gentlemen?

Mr. BURTON. Off the record.

(There was discussion off the record.)

Mr. BURTON. Do you know whether or not it is true that Colonel Theodore Wyman, Jr., received a Distinguished Service Award?

Mr. HOFFMAN. Yes, he did. It is a matter of open record in the War Department and in the records.

Mr. MARTIN. For what services?

Mr. HOFFMAN. For the service performed in Hawaii.

Mr. MARTIN. The service that you have described here in these hearings?

Mr. HOFFMAN. That is correct, sir.

May I add one thing more to the record to make it complete.

In June, probably a month after I was there, General Reybolt, who was then Chief of Engineers, arrived in Edmonton and it was at that time that they knew that the job could not be completed in the specified time, December, 1942, and it was at [2314] that time that the extension was made, giving him another year to go ahead with the job. There was so little done then that it could have been stopped quickly with very little expenditure.

The CHAIRMAN. Colonel Knowles, do you want to ask any questions?

Colonel KNOWLES. Yes. Are you associated with any construction companies, Mr. Hoffman?

Mr. HOFFMAN. Now?

Col. KNOWLES. Yes.

Mr. HOFFMAN. No, sir, not any.

Col. KNOWLES. Have you been associated as a part owner or co-owner in the past two years?

Mr. HOFFMAN. Never. I have never owned anything. I have worked.

Col. KNOWLES. You have never been in control of any heavy construction equipment?

Mr. HOFFMAN. Never. I never owned a piece in my life; never owned a piece in my life. I might say for your further information that when I left Canada I was called to complete the North American bomber plant at Kansas City, Kansas, which I did, and when I completed that I went back to my home in California and was called by the Navy to come down and complete the North Island Navy Base, which cost \$22,500,000. I did that in 1943, and then I went to Mexico because I decided I needed a rest.

[2315] Mr. FENTON. Mr. Hoffman, you said you never saw any plans at all?

Mr. HOFFMAN. Never, sir.

Mr. FENTON. Did you ever come in contact with the person who was supposed to be the architect-engineer?

Mr. HOFFMAN. Yes, I did.

Mr. FENTON. Did he get on the job while you were there?

Mr. HOFFMAN. He got on late in July of 1942.

Mr. FENTON. Did he tell you anything with regard to the plans or anything like that?

Mr. HOFFMAN. No, he did not. The man I talked to was J. Gordon Turnbull. I had several talks with him and he said he was as much mystified as to what they were going to do as anybody else.

Mr. FENTON. Did he make any observations about the plans not having been presented to you to work with?

Mr. HOFFMAN. Only that he told me that the contract, as far as he was concerned, was not signed until June. The usual procedure is for the architect-engineer to get on the job and prepare the plans, and that is done in order to make the estimate and to find out what it is going to cost.

Mr. FENTON. When did you first see the architect-engineer?

Mr. HOFFMAN. I first saw him in July, 1942, when he got off of a plane at Waterways with Colonel Wyman.

Mr. ELSTON. I would like to ask Mr. Hoffman this [2316] question: I notice from the Public Record about the awarding of the Distinguished Service Medal to Colonel Wyman, that it was granted to him for exceptionally meritorious and distinguished service in the performance of duty and great responsibility as District Engineer at Honolulu, Engineer's District, from October 14, 1941 to March 15, 1942.

You were working there during all that period of time, were you not?

Mr. HOFFMAN. Yes, I was there before and after that time.

Mr. ELSTON. Did he leave Hawaii at any time and proceed anywhere else and do any work for the Government?

Mr. HOFFMAN. He had work on the outlying Islands, too, that the Army controlled.

Mr. ELSTON. Do you know anything about the work that he did there?

Mr. HOFFMAN. No, only that generally they set up airports as stepping stones all the way from Honolulu to Australia.

Mr. ELSTON. This refers to his being directed to proceed with construction in the South Pacific Area and to be available for use by January 15, 1942, at locations difficult of access and widely separated.

Do you know anything about that work?

Mr. HOFFMAN. Yes, those are the islands. I had some of my own men go down and took them off my field. They were building temporary coral runways as stepping-stones all the way down to [2317] Australia.

Mr. ELSTON. He was commended for getting the work completed in 11 weeks from the date of the notice to proceed, and on December 25, 1941, which was two weeks ahead of schedule—

Mr. HOFFMAN (interposing). That work was started in July of 1941. Your definition there is work to be completed that had been in process for months. How long do you think it takes to make an airport?

Mr. ELSTON. Do you know whether it was completed in advance of schedule?

Mr. HOFFMAN. That I would not know, sir.

Mr. BURTON: Off the record.

(There was discussion off the record.)

The CHAIRMAN. I think we will excuse the witness at this time.

We will adjourn subject to call of the Chair.

(Whereupon, at 11:55 o'clock a. m., the hearing was recessed, to be resumed at the call of the Chair.)

ARMY PEARL HARBOR BOARD EXHIBIT NO. 5B

STATEMENT BY ROBERT HOFFMAN, AREA SUPERINTENDENT, FIFTH FUELS AREA, BELLOWES FIELD

The incidents relating to actual stoppages of work due to the ineffective, changeable orders by the U. S. E. D. are substantiated by such exhibits as are available from the files. These pertain only to Bellows Field, as the writer has no authoritative knowledge of the goings on elsewhere. I therefore set before some of the items which mostly confirm the statements of this report as I want again say that it would be too lengthy a report were all the items enumerated.

[1] The foregoing statement is made at the request of the Executive Committee of the Hawaiian Constructors for the purpose of record in conjunction with the progress of reconstruction of what is today known as Bellows Field. This statement is made voluntarily and is subject to such oath as may be required now or at a later date and does not serve the purpose of indictment against either the U. S. E. D. or the Hawaiian Constructors. These simple facts as recorded have no bearing as to the personal feelings of the writer nor has the writer an "axe to grind" toward any one individual or any group collectively, and under no circumstances are they to be treated in that light.

The undersigned was employed by the Hawaiian Constructors with the consent of the District Engineer of Honolulu as a construction superintendent at Los Angeles, California, on or about April 29, 1941. After confirmation by Mr. McWhorter in the Division Engineers' office at San Francisco, the writer embarked and arrived in Honolulu the morning of April 30 with no apparent assignment and no adequate direction as to where he might end up at. I was finally sent to Hickam Field where I received my own assignment by making take-offs of materials from blue prints (this was definitely a U. S. E. D. work task). After nine days of this I was shifted to Wheeler Field where the writer laid out the first sectionalized two story officers' quarters to prove the theory that mass production in sectionalized work was possible. On the sixteenth day of May I was assigned to Bellows Field, the original task for which I was employed [2] and immediately began the organization of a field force to construct the camp. There were no materials on hand, not was there any equipment on hand, and there were but eleven men on the job. Because of a lack of knowledge of methods and ways to secure materials, equipment, and men, it was necessary for the writer to blunder for the succeeding two weeks, as no body seemed to know the method. Finally, on May 24, I was advised by the Area Engineer, Mr. P. J. Lynch, that we had a work order No. 210 which comprised sixteen sixty-three room barracks, one mess hall and two administration buildings. There were no blue prints on the job and the writer finally made a trip to Hickam Field and made some quick sketches of the barracks at that point, and on returning to Bellows Field the following day we started forming, preparatory to pouring concrete. This statement merely to indicate lacking cooperative effort in furnishing blue prints for proper work plans. From May 26 until June 17 we poured, braced, framed and sheeted eleven buildings, and still no plans from the U. S. E. D.