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1 That is the end of the matter.

2 We have not produced such correspondence nor have we
3 produced memoranda passing between Mr. Schumacher and myself
4 having to do generally with this subject matter within the
5 last few months. We have not produced those, and that is
6 referred to in the letter of February 18, and it was the sub-
7 ject of a discussion with Mr. Hirschhorn and Mr. Schumacher.

8 Ms. Abzug. I want just to say that if the correspondence
9 had only dates of meetings, then one can understand your
10 not bringing them in.


11 Since we have now heard discussions in our communications
12 of the report having been prepared concerning your operations,
13 for preparation of witnesses and internal memoranda which
14 appeared before the Committee, this would seem to indicate
15 there is something beyond just correspondence and dates.

16 Mr. McKay. There is, Madam Chairlady, what we regard
17 as attorney-client internal memoranda which is referred to
18 in this letter of February 18, and we have so advised Mr.
19 Hirschhorn. We did not produce those documents.

20 Ms. Abzug. In the court order, did any of those refer
21 to matters of transmission of communications?

22 Mr. McKay. May Mr. Schumacher --

23 Mr. Moss. Madam Chairlady, it is with reluctance but
24 apparently we have a witness, and a witness as far as this
25 member is concerned is to be sworn.



1 Ms. Abzug. Would you please stand?

2 Request has been made, since you are offering testimony
3 here, important testimony, that you be sworn.

4 Mr. McKay, do you solemnly swear that the testimony you
5 are about to give or have given is the truth, the whole
6 truth, and nothing but the truth, so help you God?


7 Mr. McKay. I do.

8 Ms. Abzug. Would you please restate your name and
9 address for the record?

10 Mr. McKay. Lawrence J. McKay, M-c-K-a-y, 80 Pine
11 Street, New York City; residence Bronxville, New York.

12 Ms. Abzug. I think there is some question raised in my
13 mind as to compliance with the subpoena duces tecum. I would
14 direct the witness to supply to this Committee all correspond-
15 ence and court orders, and also direct the witness, Mr.
16 Hawkins, to review the question of the nature of the internal
17 memorandum concerning this inquiry and the scope of the
18 inquiry of both this Committee and the other committees of
19 Congress in order to make certain that there are not
20 additional documents which really should be provided to this
21 Committee in terms of the description of the actual activity
22 that was conducted by the company, how it was conducted,
23 who was involved in it, by what authority.

24 I think those are issues which, if placed in memoranda,
25 would be difficult to cover by the attorney-client privilege.



1 I would like to recommend, as an attorney myself of
2 many years standing, that you review those documents in your
3 possession to make certain that it is a proper claim here of
4 an attorney-client privilege.

5 Mr. McKay. I certainly will, Madam Chairlady.

6 Ms. Abzug. Because as I understand the nature of those
7 documents, I would assume they really refer largely to the
8 nature of the problem raised in this area.

9 You may have discussed it with attorneys but I do not
10 think that necessarily is covered by the attorney-client
11 privilege to overcome the subpoena duces tecum issued here.

12 Mr. Moss. Madam Chairlady?

13 Mr. Hawkins, it is my understanding now that you are
14 telling this Committee that RCA Global Communications
15 maintains no files of any kind or character bearing upon the
16 question of the transmission of message which might have been
17 intercepted or provided to departments or agencies of the
18 Government of the United States. Am I correct?

19 Mr. Hawkins. I am saying to the Committee that under
20 my direction -- the subpoena was received at the time I was
21 not in the country, and I am saying that under my direction
22 I gave directions to respond to this subpoena. I am saying
23 they have made the search under my direction, and have failed
24 to uncover any such documents.

25 Mr. Moss. It is rather difficult to believe that there

2 Did RCA Global Communications make available messages
3 transmitted to its facilities on behalf of its customers
4 to the Government of the United States or any agency of the
5 Government of the United States?

6 Mr. Hawkins. I can only respond by saying that I
7 directed that a search be made and we did not get any such
8 documents.

9 Mr. Moss. Go ahead. You are causing this member a
10 great deal of concern.

11 I chair the Subcommittee on Oversight and Investigations
12 of Interstate and Foreign Commerce which has jurisdiction
13 over communications, and if your records are so fragmentary
14 then perhaps meaningful in-depth oversight must be immediately
15 undertaken, because I cannot buy what is not salable, and
16 to tell me that you have no records is not salable. It is
17 incomprehensible.

18 You know damned well that you put on paper everything,
19 and there isn't an order or a hint that doesn't carry a
20 memorandum in the files.

21 I spent too many years looking over your shoulder to
22 believe what you have now told this Committee. Cloak it
23 as you will, but ultimately we will find out, and I am afraid
24 you are playing games and indulging in semantic exercises
25 today.

1 I think you are most ill-advised to do so.

2 Ms. Abzug. Mr. Hawkins, my concern about compliance
3 with the subpoena duces tecum deals with the statement
4 relating to the conduct and subject matter of our investiga-
5 tion.

6 I wonder whether you can list for us the nature of those
7 memoranda, the dates, and the general area they cover.

8 Mr. Hawkins. Certainly, Madam Chairwoman, we would under-
9 take to do that.

10 Ms. Abzug. You cannot do that today?

11 Mr. Hawkins. No. I understand we do not have the
12 documents here.

13 Ms. Abzug. I would then direct you to produce all
14 internal memoranda of counsel, or internal memoranda of your
15 corporation, relating to the conduct and subject matter of
16 these investigations within 10 days from today.

17 Mr. McCloskey. If the Chairlady would yield.

18 Ms. Abzug. Yes.

19 Mr. McCloskey. Can you clarify for this member what the
20 rights of counsel mean under the rules of this Committee?
21 Do not rights of counsel include the right to make memoranda
22 to their clients in preparations for a hearing which are
23 beyond the reach of this Committee?

24 Ms. Abzug. I merely suggested, Mr. McCloskey, that it
25 is not clear from the testimony regarding these memoranda.

1 I am trying to make clear to the witness, Mr. McCloskey,
2 that a memorandum per se is not necessarily subject to an
3 attorney-client privilege.

4 A discussion between client and his attorney is subject
5 to such a claim, perhaps, of an attorney-client privilege,
6 but memoranda which concern the nature and subject matter
7 of this inquiry and investigation, I suspect, may very well
8 not be covered by an attorney-client privilege.

9 I am merely suggesting to the witness and to the
10 witness' counsel, both of whom were sworn in here today,
11 that they review this subject, that they might have made
12 a mistake, that there may be internal memoranda and
13 reports concerning the investigation of this whole process
14 concerning their inquiry as to what actually happened, how
15 it happened, and who they were relating to, and who they
16 spoke to, and which employees in their company were
17 involved, and which employees in the government were involved,
18 and what kind of cables and telex cables were intercepted
19 and what that covered.

20 It may very well not be covered by an attorney-client
21 privilege, and I would rather put the witness and his attorney
22 on notice that I believe that much of what they may have
23 inadvertently, perhaps, might put them in contempt of this
24 Committee and Congress, and therefore I suggest that they
25 review this and I am directing them to bring in all internal

1 memoranda.

2 If they have a proper claim then of a constitutional
3 nature, and it is attorney-client privileged, it can be
4 asserted then.

5 At this moment I am not satisfied from what has been
6 stated by the witness and his attorney that they do not
7 have additional documents which they are required to produce
8 under the subpoena.

9 I have not heard them contradict this.

10 What has been the step-by-step history of RCA Global's
11 involvement with communications entrusted to its care,
12 telex -- as well as communications being made available
13 to the agencies of the United States Government?

14 Mr. Hawkins. I am sorry. Could I have the question
15 again?

16 Ms. Abzug. I went into a question. I said what is the
17 step-by-step history of RCA Global's involvement with making
18 communications entrusted to its care, telegrams as well as
19 telex, available to agencies of the United States Government?

20 I refer now to the period since 1947.

21 Mr. Hawkins. I do not know the step-by-step history of
22 what may have occurred since 1947.

23 I have read, of course, the Church Committee's Shamrock
24 report and I know what is in that.

25 Ms. Abzug. What was your position in RCA Communications

1 in 1947, which I believe was RCA Global's former name?

2 Mr. Hawkins. I was an attorney.

3 Ms. Abzug. In that capacity, were you aware, or when
4 did you become aware, of a 1947 agreement between your com-
5 pany and Secretary of Defense James Forrestal, to make
6 available to the Army Security Agency, a predecessor of the
7 National Security Agency, copies of communications entrusted
8 to RCA?

9 Mr. Hawkins. To the best of my recollection I first
10 became aware of that when I read the Church Committee report.
11 I think this was in November, as I recall it, of 1975.

12 Ms. Abzug. All right. What was your position in RCA
13 Communications in 1949?

14 Mr. Hawkins. I think I was general attorney of the
15 company.

16 Ms. Abzug. General attorney?

17 Mr. Hawkins. Yes.

18 Ms. Abzug. Did anybody speak to you in that capacity?

19 Mr. Hawkins. Not that I can recall, and I have been
20 unable to find anything in the records.

21 Ms. Abzug. You were the number one lawyer, I take it?

22 Mr. Hawkins. Yes.

23 Ms. Abzug. And you never at any time had any conversation
24 with anybody in RCA Communications concerning any agreement
25 between your company and Secretary of Defense James Forrestal

1 to make available to the Army Security Agency, the predecessor
2 of the National Security Agency, copies of communications
3 entrusted to RCA?

4 Mr. Hawkins. No.

5 Ms. Abzug. Never at any time?

6 Mr. Hawkins. I found nothing. I have searched the
7 records. I found nothing in the records and I have no
8 recollection whatsoever.

9 Ms. Abzug. Who would know?

10 Mr. Hawkins. I don't know, except maybe some people
11 who might have been involved at that time. I was not in an
12 operating position then and would not normally have been
13 participating in any such arrangement.

14 Ms. Abzug. What do you mean? You were inoperative?

15 Mr. Hawkins. I was not in an operating position. I was
16 in a staff position and would not have --

17 Ms. Abzug. Go ahead.

18 Mr. Hawkins. I would not have been the person who would
19 have been responsible for any such arrangement.

20 Ms. Abzug. This is fascinating.

21 Did you cause an investigation to be made since the
22 time of the Church inquiry to find out about what the Shamrock
23 report stated?

24 Mr. Hawkins. Yes.

25 Ms. Abzug. It is strange testimony. You are testifying

1 that your company, with which you were associated, something
2 you have no knowledge about, nobody has any knowledge, but
3 an agreement with your company existed, nobody had documents,
4 nobody knows anything, and yet you were involved in a very
5 serious conduct of activity which violated, in all
6 probability, rights of the Constitution of American citizens,
7 and you went into a whole process whereby communications
8 were delivered but you don't know how all that happened?

9 Mr. Hawkins. May I respond?

10 Ms. Abzug. Who owns this corporation?

11 Mr. Hawkins. May I respond?

12 Ms. Abzug. The USA? Who owns it?

13 I mean this is a very serious question I just asked you.
14 There is to be no delineation between private corporations
15 and the government.

16 Mr. Hawkins. May I respond to the question?

17 First of all, I would like to make very clear that in
18 regard to possible interception or disclosure of communica-
19 tions, including telex messages, it is the policy of RCA
20 Global to comply strictly with all legal requirements.

21 In July of 1975, nearly a year ago, it came to my
22 attention that press inquiries had been received by our
23 company concerning the possible disclosure of communications
24 to U.S. Government representatives.

25 I immediately directed that any such disclosure of

1 information should not be made unless it was properly
2 authorized.

3 I also directed that further policy instructions be
4 issued. Those policy instructions were issued on August 8,
5 1975, and the document containing those policy instructions
6 was referred to the Committee.

7 If I can invite your attention to it, it states that
8 each of the operating centers, within the company, had been
9 checked and it has been ascertained there is no such
10 activity underway within RCA Global, and no such communica-
11 tion traffic of any kind is being made available to any
12 unauthorized person or entity.

13 Our policy procedures and instructions were reconfirmed
14 at that time, and including the absolute necessity of
15 complying fully with whatever the legal requirements are.

16 Further, and we mean it very firmly, I recently followed
17 up on this matter. I caused to be made an investigation,
18 again I say recently, to make sure that no such information,
19 telegrams, or telex communications of any kind were being
20 furnished to such government representatives in any such
21 manner.

22 I have been assured, as a result of that investigation,
23 that no such activity is underway by RCA Global Communications.

24 I would like to conclude by saying that we have taken
25 these actions to reemphasize and strengthen our internal

1 procedures to ensure that RCA Global Communications abides
2 in all respects with whatever the legal requirements are
3 in providing communications services.

4 Ms. Abzug. Your comment that in July, there was a
5 memorandum in August, that this activity was to be stopped
6 unless properly authorized -- what do you mean by that
7 "properly authorized"?

8 Mr. Hawkins. I mean by that that no such communica-
9 tions, telex, telegrams, or otherwise, will be furnished
10 to any person, whether government or non-government, unless
11 that is properly authorized.

12 We would determine, Madam Chairwoman, we would deter-
13 mine whether it is properly authorized in the light of the
14 advice we received from legal counsel.

15 Ms. Abzug. In your opinion can anything other than
16 a court order be properly authorized?

17 Mr. Hawkins. I really am not in a position to answer
18 that for the reason that Section 605, as I recall it, does
19 refer to demand of lawful authority.

20 Ms. Abzug. I know. I am trying to find out what you
21 regard as lawful authority. Somebody might have just
22 knocked into RCA and gotten into the whole operation.
23 According to your testimony you don't know anything about it,
24 so obviously this was done by somebody not with lawful
25 authority.

1 You are the head of this company. You never heard of
2 it. You didn't know it was going on until some newspaper
3 reporter told you about it.

4 You know, it is incredible. In other words, your testi-
5 mony strains credulity.

6 Mr. Hawkins. Our policy --

7 Ms. Abzug. You heard what I am saying?

8 Mr. Hawkins. Yes.

9 Ms. Abzug. I am saying I don't believe it.

10 Mr. Hawkins. I am sorry. I am doing the best I can.

11 Ms. Abzug. You are a big company. How big are you?

12 Mr. Hawkins. RCA Global Communications does about a
13 \$150 million business.

14 Ms. Abzug. And you don't have any idea what was going
15 on in your own company?

16 Mr. McCloskey. Madam Chairwoman?

17 Ms. Abzug. Let me finish that.

18 You had no idea before reading in the newspaper what was
19 going on in your own company?

20 Mr. Hawkins. I might say I operate in my company at a
21 policy level. I am not a day-to-day operator.

22 Ms. Abzug. You mean this wasn't a policy question, the
23 interception of communications in violation of the
24 Constitution, handing over other people's communications to
25 government without lawful authority? It is not a policy

1 issue?

2 Mr. Hawkins. It is --

3 Ms. Abzug. It is not exactly like sweeping the floor,
4 you know.

5 Mr. Hawkins. It is a policy issue but policy
6 instructions have been given in the company that the entire
7 business of the company should be conducted strictly in
8 accordance --

9 Ms. Abzug. That was in 1975, August 8. I am talking
10 about before that. You said you knew nothing about it.

11 Mr. Hawkins. We still had the same policy in the
12 company.

13 Ms. Abzug. We will have to discuss this after the
14 recess. We have to go vote.

15 We will take a 10-minute recess, or a 15-minute recess.

16 (Recess taken.)
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1 Mrs. Abzug. The hearing will resume.

2 I may have to adjourn this hearing for lunch, pending
3 an important matter on the Floor; but I don't want to keep you
4 unnecessarily so I will try to ask some questions now.

5 I did not realize that this matter on the Floor was
6 coming up as early as it is coming up.

7 Just to resume our questions, let me ask you this.

8 Between 1947 and 1975, did RCA Communications make any
9 communications available to any entity of the Federal Govern-
10 ment?

11 Mr. Hawkins. I understand that RCA Communications did
12 make such communications available to certain U. S. Govern-
13 ment agencies.

14 Mrs. Abzug. Do you know how often the communications
15 were made available?

16 Mr. Hawkins. I do not.

17 Of my own knowledge, I do not.

18 Mrs. Abzug. How about from somebody else's knowledge -
19 did you hear from somebody else that communications were made
20 available? Did you know of the nature of them and how often?

21 Mr. Hawkins. No.

22 I cannot say that.

23 You see, I functioned at an executive level of the com-
24 pany - not at an operating level; or I would not have been
25 involved in handling these matters.

1 Mrs. Abzug. Let me put it very simply,

2 Were you told about the operations or were you not?

3 Mr. Hawkins. No, I was not.

4 I have no recollection of being told about this, except
5 of course --

6 Mrs. Abzug. In 1975 you received the biggest shock in
7 the world. You read something in the newspaper which in-
8 volved your company. This was an operation that went from
9 1947 to 1975, right?

10 Let's say that that is your testimony to date.

11 Let's assume that I accept that testimony for what it is
12 worth - and it is not worth a lot, you can be sure of that.
13 You may want to rethink it, okay?

14 But I will accept it for the purpose of my next question.

15 Suddenly one day you were shocked - you found out that
16 your company was involved in a whole communications process.
17 They had probably violated all of the laws in the books.

18 Do you mean that you didn't ask anybody what went on?

19 When you first heard about it, didn't you ask somebody?

20 Mr. Hawkins. I had investigations made.

21 Mrs. Abzug. Right.

22 How did you direct that investigation to be made?

23 Mr. Hawkins. I directed that it be handled through legal
24 counsel, that is, house counsel and outside counsel.

25 Mrs. Abzug. What was the nature of that investigation?

1 Mr. Hawkins. It was very important to determine that no
2 such activity was going on.

3 Mrs. Abzug. What did you do about finding what activities
4 were going on?

5 Mr. Hawkins. First of all, I directed that if there was
6 any such activity going on that it should be stopped forthwith.

7 Mrs. Abzug. Then, what did you do about finding out what
8 had been going on?

9 Mr. Hawkins. I directed that an investigation be made
10 into the matter.

11 Mrs. Abzug. What did that investigation reveal?

12 Mr. Hawkins. I had reports back.

13 Mrs. Abzug. What kind of reports were they?

14 Mr. Hawkins. They were oral reports.

15 Mrs. Abzug. They were all oral?

16 Mr. Hawkins. Yes.

17 Mrs. Abzug. Every single one?

18 Mr. Hawkins. Yes.

19 Mrs. Abzug. Who gave reports to whom?

20 Mr. Hawkins. The reports were made to me by counsel whom
21 I asked to conduct the investigation.

22 Mrs. Abzug. Is counsel here?

23 Mr. Hawkins. It was our outside counsel, Mr. McKay, on
24 my right who was called inot the case immediately; and also
25 our house counsel.

1 Mrs. Abzug. In other words the counsel then became the
2 investigator for the company; is that correct?

3 Mr. Hawkins. I think that is correct, yes.

4 Mrs. Abzug. When they actually conducted their investi-
5 gation, they were acting as investigators; is that correct?

6 Mr. Hawkins. Well, they were acting in a position of
7 determining exactly what, that is, that any such practice had
8 been discontinued --

9 Mrs. Abzug. But they were conducting the investigation?

10 Mr. Hawkins. That is right.

11 Mrs. Abzug. Let me put you on notice right now: I re-
12 gard any memorandum which they sent to you as investigators as
13 not subject to the attorney-client privilege.

14 I am putting you on notice that they conducted your in-
15 vestigation, and any memorandum from them on the investigation
16 is to be delivered pursuant to subpoena duces tecum within
17 ten days from now.

18 I am just putting you on notice right now.

19 Mr. McCloskey. Will the gentlelady yield?

20 Mrs. Abzug. I will yield.

21 Mr. McCloskey.. Under the five-minute rule?

22 Mrs. Abzug. Under the five-minute rule but within two,
23 minutes.

24 What was reported to you, Mr. Hawkins?

25 Mr. Hawkins. It was reported back to me that such

1 practices had occurred in the past. It was reported that it
2 had stopped.

3 I subsequently learned more about the matter when I read
4 the Shamrock Report.

5 Mrs. Abzug. I want to know specifically what you were
6 told. How often were communications made available?

7 What was handed over? What was covered?

8 Mr. Hawkins. To the best that I can recall from that
9 report - and it is very vague at this time - communications
10 were turned over to U. S. Government representatives there on
11 a regular basis.

12 Mrs. Abzug. I am sorry to interrupt" in the middle of
13 the hearing, but I do have to go to the Floor.

14 We will reconvene the hearing at 2:30.

15 (Whereupon, at 12:55 p.m., the hearing was recessed.)

16 (Whereupon, at 2:40 p.m., the hearing was reconvened.)

17 Mrs. Abzug. The hearing is called back to order.

18 I recognize Mr. McCloskey.

19 Mr. McCloskey. Madame Chairwoman, I wanted to comment
20 to Mr. Hawkins --

21 Mrs. Abzug. Let me interrupt you to say that the Chair-
22 man of our Government Operations Committee has joined us.

23 Mr. Jack Brooks, is there something that you would like
24 to say?

25 The Chairman. It is a pleasure to be here.

1 I am sure that you will get the facts on this matter.

2 I am delighted to see that we are having a clear evalua-
3 tion of what kind of interceptions were made on private traffic.

4 I think that it is something that the public is entitled
5 to know.

6 If it is necessary to continue, then there may be some
7 justification; but certainly there is no justification in
8 hiding what has been done for twenty years.

9 Mrs. Abzug. Thank you.

10 I recognize Mr. McCloskey.

11 Mr. McCloskey. Mr. Hawkins, I just want to comment that,
12 as I listened to your testimony this morning, I think that it
13 might be well to draw a distinction between an attorney-client
14 privilege with respect to legal advice or an opinion on a
15 Constitutional matter which may be rendered to you by counsel
16 and an investigative report which describes facts.

17 I would not conceive that any comments of counsel rela-
18 ting to facts as they occurred would be covered under the
19 attorney-client privilege.

20 I just wanted to say in the most vigorous fashion that
21 the Chairwoman was correct in drawing the distinction earlier.

22 Mrs. Abzug. Thank you, Mr. McCloskey.

23 According to the Shamrock Report, RCA Global provided
24 NSA with the great bulk of its international message traffic
25 between 1947 and 1975.

1 Is that true?

2 Mr. Hawkins. I cannot testify to that from my personal
3 knowledge. I know it from what is in the report here, and
4 from the information that I have learned since then.

5 Mrs. Abzug. Well, is it true, pursuant to information
6 that you have learned since then?

7 Mr. Hawkins. That is my understanding.

8 Mrs. Abzug. In the beginning the Shamrock Report says
9 that paper tapes of messages were turned over.

10 Is that true, from your understanding?

11 Mr. Hawkins. I have no understanding of that - beyond
12 what is in the report.

13 Mrs. Abzug. Do you understand that what is in the report
14 is true?

15 Mr. Hawkins. I really have no way of knowing whether or
16 not what is in the report is true or not. I don't know the
17 basis on which it was made.

18 Mrs. Abzug. Did you read the report?

19 Mr. Hawkins. Yes, I read the report.

20 Mrs. Abzug. Well, when you read the report, didn't you
21 ask anybody whether or not any of these things were true?

22 Mr. Hawkins. Well, not specifically.

23 I assumed that the report, that is, that what ever had
24 been in the report had been as a result of investigation with
25 the Committee. We had cooperated with the Church Committee

1 in the investigation.

2 But I was not present at any depositions taken by the
3 Church Committee; nor have I seen them.

4 Mrs. Abzug. Whose depositions were taken?

5 Mr. Hawkins. I understand that there were just two de-
6 positions taken by our RCA people. They were Sydney Sparks,
7 a retired employee, and John McKenna.

8 You spell it M-C-K-E-N-N-A.

9 Mrs. Abzug. What are their addresses?

10 Mr. Hawkins. I think that Mr. McKenna can be reached at
11 60 Broad Street, New York, New York.

12 Mr. Sparks is a retired employee currently living in
13 Florida.

14 I don't have his current address, but as I recall it is
15 somewhere, I think, in the Clairmont, Florida area.

16 Mrs. Abzug. Will you supply his address for the record?

17 Mr. Hawkins. Yes.

18 (Material to be supplied follows:)
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1 Mrs. Abzug. Did you discuss this deposition with either
2 of these employees?

3 Mr. Hawkins. No.

4 Mrs. Abzug. Did anybody in the company?

5 Mr. Hawkins. I don't know.

6 Mrs. Abzug. How was it determined who should testify or
7 make deposition for the Senate Committee?

8 Mr. Hawkins. This matter was handled by counsel and
9 presumably that was made by them.

10 Mrs. Abzug. You mean counsel makes decisions for RCA
11 without consulting any of their principals from RCA?

12 Mr. Hawkins. I really don't know the answer.

13 Mrs. Abzug. Don't they have to get authorizations from
14 somebody in the company?

15 Mr. Hawkins. We, of course, have our own house counsel
16 who is authorized to handle matters of this kind.

17 Mrs. Abzug. You are talking to a number of people sitting
18 up here who are lawyers, who have represented corporations,
19 who have had a certain amount of experience - other than being
20 members of Congress.

21 It is not usual for an attorney to make decisions without
22 consulting somebody in the corporation.

23 Mr. Hawkins. The chief house counsel is an officer of
24 the company.

25 Mrs. Abzug. And he is not responsible to anybody else?

1 In an important matter like this he would make a decision
2 without discussing it with anybody?

3 Mr. Hawkins. He reports to the President of the company.

4 Mrs. Abzug. Who is the President of the company?

5 Mr. Hawkins. Eugene F. Murphy.

6 Mrs. Abzug. I see.

7 And this matter was not discussed with you at all, at
8 any time?

9 Mr. Hawkins. You mean about Mr. McKenna or Mr. Sparks?

10 Mrs. Abzug. Yes.

11 Mr. Hawkins. As near as I recall, I was aware at the
12 time that they were appearing in private session with the
13 Committee.

14 That is the best of my recollection.

15 Mrs. Abzug. Who told you that they were going to appear
16 at the Committee?

17 Mr. Hawkins. I cannot remember who told me that they
18 would appear. I would assume -- well, I can't remember.

19 Mrs. Abzug. Did anyone tell you why they were to appear?

20 Mr. Hawkins. No - other than the fact that the Church
21 Committee --

22 Mrs. Abzug. Let me make myself clear.

23 When a matter comes up that affects your company, then
24 principals in a company have a right to find out what it is
25 about, particularly if they are testifying, as you have, that

1 you knew nothing about it.

2 There is nothing to be gained here in this hearing by
3 pretending not to know what went on subsequent to your dis-
4 covery.

5 There must be somebody who knows exactly what went on.
6 I am sure that there was someone beyond an attorney who knew
7 that there were problems that had to be dealt with and dis-
8 cussed; and that witnesses had to be provided and that informa-
9 tion had to be provided.

10 Now, I am just saying this for your benefit because it is
11 difficult, sometimes, to testify before a committee. I want
12 to make you feel perfectly comfortable. "

13 It is expected that certain things will take place. It
14 is not unusual. There is nothing criminal about having a dis-
15 cussion about problems that may have been originally criminal.

16 But don't confuse the two.

17 At this point we are asking questions. I don't want to
18 have to compound the problem by not remembering correctly.

19 Mr. Hawkins. I give you my best recollection which is
20 that I was aware of the Church Committee investigation. This
21 was being handled by counsel. I cannot recall specifically
22 who was to appear as a witness. I left it in the category of
23 working with the Church Committee to provide witnesses. I
24 did, at the time, understand that those would appear.

25 Mrs. Abzug. To whom did you tell that?

1 To whom did you tell to get witnesses for the Church
2 Committee?

3 Or who told you about it?

4 Mr. Hawkins. I didn't say that I got witnesses for the
5 Church Committee - I said that I knew that we were cooperating
6 with the Church Committee.

7 Mrs. Abzug. If you knew that, then you obviously have
8 some authority at this time to find out how that came about;
9 and I am directing you to find out just exactly how it was
10 determined who the people were to be to testify, who came up
11 with the names, who worked with them, and who was responsible
12 for their instruction.

13 Mr. Hawkins. To the best of my recollection, the matter
14 would be one about which I would have to ask the Vice Presi-
15 dent and the General Counsel.

16 Mrs. Abzug. You ask him and inform yourself; and when
17 you return here I want you to be prepared to testify on that
18 whole matter.

19 Will you make Mr. McKenna available to us as a witness or
20 do we have to communicate with him ourselves?

21 Mr. Hawkins. May we take your question under advisement
22 and report back to the Committee?

23 My reason for that request is that counsel advises me
24 that we really should speak to Mr. McKenna first. He is not
25 here.

1 Mrs. Abzug. What position does he hold in the company?

2 Mr. Hawkins. Vice President.

3 He is a vice president.

4 Mrs. Abzug. Is he one of the persons who testified?

5 Mr. Hawkins. Before the Church Committee, yes.

6 Mr. Sparks has retired.

7 Mrs. Abzug. I have a very important question to ask.

8 I asked you before about certain statements, and I asked
9 you if you thought that they were true. You said that you
10 didn't know.

11 To the first question, you said that you understood that
12 it was so.

13 To the second question, which was "In the beginning,
14 paper tapes of messages were turned over," and you said that
15 you don't know whether that was true or not.

16 Now, you are the major executive officer of this company,
17 are you not?

18 Mr. Hawkins. Yes.

19 Mrs. Abzug. A report has come out alleging certain ac-
20 tivities on the part of your company. They raise questions
21 as to whether or not they were even proper activities.

22 Would it not be normal to expect - at least I would ex-
23 pect - that you would go over it carefully to make sure that
24 there were no false statements in it so that you could refute
25 them?

1 Did there come a time, after 1975, when you informed
2 yourself as to the entire operation between 1947 and 1975?

3 Mr. Hawkins. Yes, to this extent.

4 I informed myself as a result of the Shamrock Report,
5 and I also had reports in connection with the action that I
6 had taken to make sure that the practice was not continuing -
7 and mind you, this is when it was brought out that the matter
8 had gone on for quite a period of time and had been handled
9 on a routine basis.

10 Mrs. Abzug. I realize that you said that you took some
11 action to make sure that the activity would not continue.

12 What I am not clear about is this: whether or not you
13 informed yourself as to what took place over the almost thirty-
14 year period.

15 Mr. Hawkins. Not in detail, no.

16 Mrs. Abzug. And yet you are willing to affirm that the
17 Shamrock Report is true, and that nothing in it is false?

18 Mr. Hawkins. I said that I did not know. I cannot say
19 whether the Shamrock Report is entirely true or not because I
20 was not present at any of those meetings.

21 Mrs. Abzug. I know that you testified to that.

22 I am merely asking you whether, from the information that
23 you received, there are statements made in the Shamrock Report
24 which are true or not.

25 That is what I am asking.

1 Mr. Hawkins. When I read the Shamrock Report after it
2 was sent to us, there were no statements in the report, to my
3 knowledge, that were false.

4 I had no advice from anybody who read it that --

5 Mrs. Abzug. How did you know that they were true or
6 false, inasmuch as you have previously testified that you
7 didn't know anything about any of this?

8 Mr. Hawkins. The Shamrock Report, I think, came to my
9 attention in November, you see.

10 By that time, as you will recall that I indicated this
11 morning, we had looked into this matter. I had a report back.

12 All of this adds up to the point that we had a practice
13 that started in 1947 or 1948. It continued on a routine basis
14 for a number of years and evidently was treated as a national
15 security matter and handled on that basis until it was dis-
16 continued in the summer of 1975.

17 Mrs. Abzug. I have difficulty with this.

18 You are now saying that you assumed that it was true.
19 You had no reason to believe that it was false. You believed
20 that it was true.

21 Although you testified earlier today, when I tried to get
22 this information from you, as to whether or not you had in-
23 formed yourself about it; and subsequently that you had nothing
24 to do with even that, that is, that some investigation was
25 taking place, some lawyers were doing it, etcetera.

1 Mr. Hawkins. I have to respond by saying that I cannot,
2 of my own knowledge, affirm that it is true or not true.

3 Mrs. Abzug. I see.

4 In the early 1960's there was, according to the Shamrock
5 Report, a change in technology - supposedly - and RCA Global
6 began to store their international paid message traffic on
7 magnetic tapes; and these were turned over to NSA.

8 Is that true?

9 Mr. Hawkins. I do not know.

10 Mrs. Abzug. NSA officials had no recollection of RCA
11 ever inquiring about the use being made of the communications
12 made available to the NSA.

13 Is that true?

14 Mr. Hawkins. I do not know.

15 Mrs. Abzug. Of all the messages made available to NSA
16 each year, it is estimated that NSA in recent years selected
17 about 150,000 messages a month for NSA analysts to review.

18 Is that true?

19 Mr. Hawkins. I do not know.

20 Mrs. Abzug. You are testifying that you don't know whe-
21 ther any of these statements are true; you don't know whether
22 they are false - is that correct?

23 Mr. Hawkins. The best that I can answer the question is
24 to say that I know the practice went on, but I cannot testify
25 as to the accuracy of the details; nor the particular matters

1 which occurred at that time.

2 Mrs. Abzug. I will make it easy for you once and for all.

3 Do you want to tell me anything at all about what you do
4 know? It is quite clear that you are not willing to testify.

5 If you want to tell me what went on, then fine. If not,
6 I have to find -- I mean, I really don't want to get angry
7 about this because I think that I have a right to on behalf of
8 this Subcommittee.

9 But you are not testifying with any kind of clarity - to
10 say the minimum.

11 Mr. Hawkins. May I respond to that by saying that my
12 position in the company is an executive one. These matters
13 were handled a routine operating matter. The people who have
14 that knowledge would be the ones who would know.

15 Mrs. Abzug. So there may be other people who have
16 checked the Shamrock Report?

17 Mr. Hawkins. It is possible, yes.

18 Mrs. Abzug. Do you know whom those people are?

19 Mr. Hawkins. I cannot say.

20 We know who was interviewed by the Church Committee. I
21 have given you those names.

22 Mrs. Abzug. What was the position occupied by the retired
23 employee who also testified before the Church Committee?

24 What was his role before he retired?

25 Mr. Hawkins. He was in operations.

1 He held different positions in operations, as I recall,
2 ranging from traffic management to Vice President of Operations
3 and Engineering. Then, at the time of his retirement in 1964,
4 that is, December of 1964, he was Executive Vice President of
5 the company.

6 Mrs. Abzug. What contacts had RCA Global had with the
7 Department of Justice, NSA, the White House, the Defense De-
8 partment since the latter part of July, 1975 when the New York
9 Daily News first charged that RCA Global was making cables
10 available to the FBI or NSA?

11 Mr. Hawkins. I had no personal contact on this subject
12 with any of those organizations subsequent to that time.

13 Mrs. Abzug. Do you have any knowledge that anybody in
14 your company did have contact?

15 Mr. Hawkins. To the best of my knowledge, the company
16 counsel had contact.

17 That is the best that I can do on that.

18 Mrs. Abzug. Who did counsel -- Counsel, you are sworn in
19 Do you mind taking the mike?

20 Do you want to tell us whom you had contact with?

21 Mr. McKay. I think that Mr. Hawkins was referring to
22 Mr. Frank DeRosa.

23 Mrs. Abzug. Frank DeRosa?

24 Mr. Hawkins. D-E-R-O-S-A.

25 Mrs. Abzug. He is house counsel?

1 Mr. Hawkins. He is Vice President and General Counsel.

2 Mrs. Abzug. To your knowledge, do you know of anybody in
3 your corporation who was questioned by the FBI of the Grand
4 Jury with regard to this?

5 Mr. Hawkins. I did not hear you.

6 Mrs. Abzug. Has anybody been questioned by the Grand
7 Jury or the FBI with regard to this?

8 Mr. Hawkins. Not to my knowledge.

9 Mrs. Abzug. Would you normally hear about it, if such
10 a thing took place?

11 Mr. Hawkins. I may or may not hear of it.

12 Mrs. Abzug. Mr. DeRosa would know all about that?

13 Mr. Hawkins. I would assume so.

14 Mrs. Abzug. Would you be willing to produce Mr. DeRosa
15 for this Committee? We are really trying to get information,
16 and we can't do it if you are not willing or able to do it.

17 If somebody else is able and competent to do so, we would
18 be happy to hear from them.

19 Mr. Hawkins. We would be glad to report back to the
20 Committee on that question after consulting with Mr. DeRosa.

21 Mrs. Abzug. Mr. Grunberg, how long have you been em-
22 ployed by RCA Global?

23 Mr. Grunberg. Forty-one years.

24 Mrs. Abzug. In what capacity?

25 Mr. Grunberg. I started as a messenger boy, and at the

1 present time I am Manager of the Switch Services marketing of
2 the Middle Atlantic Region.

3 Mrs. Abzug. In your 41 years with the company have you
4 had any contact with employees of the FBI, or have you known
5 of other employees who have had contact with members of those
6 agencies?

7 Mr. Grunberg. Yes.

8 Mrs. Abzug. What was the nature of these contacts?

9 Mr. Grunberg. I met these men as they visited our office
10 from time to time.

11 Mrs. Abzug. What do you mean, "as they visited;" to
12 have a coca cola or for what purpose?

13 Mr. Grunberg. The gentleman would come in at our
14 accounting office. As I understand it, he would then receive
15 messages and depart.

16 Mrs. Abzug. Let me get this clear.

17 He would stop at the accounting office.

18 How many gentlemen were there, and who were these gentle-
19 men?

20 Mr. Grunberg. To my recollection I cannot recall exactly
21 how many men, over a period of time, were there. At that time
22 I was involved with traffic operations.

23 Their visits were restricted to the bookkeeping section.

24 Mrs. Abzug. How did you know about it?

25 Mr. Grunberg. Simply by their appearance in the office.

1 If I happened to be in that particular area when they
2 made these visits to the accounting section, then I would see
3 them.

4 Mrs. Abzug. That is the only way that you know about it?

5 Or did you know about it in any of the many various capa-
6 cities in which you served the company over forty-one years?

7 Mr. Grunberg. It is as I described it.

8 Mrs. Abzug. Let me get an idea.

9 When do you recall seeing these gentlemen, that is, what
10 year; and how many years? How many times?

11 Mr. Grunberg. When I was discharged from the U. S. Navy
12 after World War II, I returned to duty in Washington as an
13 operator. As such, I worked in the operating section which
14 was removed from the building that housed the accounting people.

15 At times I might have been visiting friends, and I might
16 see these people.

17 Subsequent to that time when I was promoted into the
18 management level, again I was physically located in the build-
19 ing other than the building that housed the accounting people.

20 Again, at that time I might have met these gentlemen over
21 a period of time and at irregular intervals when I happened
22 to have been in the office.

23 Mrs. Abzug. How did you know whom they were?

24 Mr. Grunberg. I suppose that the nature of our business
25 is that we have a number of people entering our premises. I

would be introduced to the gentlemen by some other member of
our company.

Mrs. Abzug. How were they introduced? What were their
names?

Mr. Grunberg. I do not remember all of the names.

The most recent name was Mr. Craig.

Mrs. Abzug. Did you see him often?

Mr. Grunberg. Not too often because in 1968 I was
appointed to the sales organization of our company and moved
to a building which was approximately three blocks distant
from the operations room.

From that time on, I saw very little of our operating
room, inasmuch as I had no occasion to be there.

Mrs. Abzug. Mr. Algie, what is your present occupation?

Mr. Algie. Manager of the Washington operations.

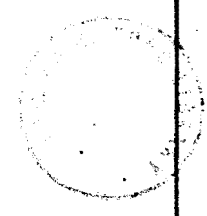
Mrs. Abzug. Mr. Grunberg, when did you meet Mr. Craig?
What year was it? How many times did you see him?

Mr. Grunberg. Madame Chairwoman, I can't remember when
I met Mr. Craig.

Mrs. Abzug. How many years ago was it? Was it one year,
two years, three years, four years, five years, six years,
seven years? How many years after the War?

Mr. Grunberg. I would think that it was some time in
1965 or 1966; I am not sure.

Mrs. Abzug. How many times did you meet him?



1 Mr. Grunberg. I really can't say.

2 Mrs. Abzug. Well, how did you know what he was doing
3 there?

4 Mr. Grunberg. From the conversations of people who are
5 employed in the accounting section.

6 Mrs. Abzug. What did they tell you?

7 Mr. Grunberg. That this gentleman would come in and
8 pick up some messages, take them away, and bring them back.

9 Mrs. Abzug. Did they tell you how often?

10 Mr. Grunberg. No.

11 Mrs. Abzug. Mr. Algie, you are the Operations Manager of
12 the Washington Office of RCA Global Communications, right?

13 Mr. Algie. Yes.

14 Mrs. Abzug. How many years have you been with the com-
15 pany?

16 Mr. Algie. Eighteen years.

17 Mrs. Abzug. Most of the time, where were you located -
18 in Washington or New York?

19 Mr. Algie. In New York.

20 Mrs. Abzug. What are your responsibilities?

21 Mr. Algie. As the Manager of the office here?

22 Mrs. Abzug. Yes.

23 Mr. Algie. I oversee the total basic operation of the
24 office as far as budget, technical aspects of it, traffic as-
25 pects.

1 Mrs. Abzug. In your position as Manager of the Washing-
2 ton office, which you came to in -- when was it?

3 Mr. Algie. 1973.

4 Mrs. Abzug. Did you have any contact with employees of
5 the FBI or the NSA?

6 Mr. Algie. With the FBI, yes.

7 Mrs. Abzug. Who were those employees?

8 Mr. Algie. Basically one person - Mr. Craig.

9 He probably introduced me to another person.

10 Mrs. Abzug. Who was the other person?

11 Mr. Algie. I can't remember the name.

12 Mrs. Abzug. You can't remember his name.

13 Did you ever meet Mr. Loomis?

14 Mr. Algie. The name sounds familiar, but I don't really
15 know.

16 Mrs. Abzug. Did you meet more than one FBI agent?

17 Mr. Algie. Mr. Craig and one other that I know of.

18 I don't know what his name is.

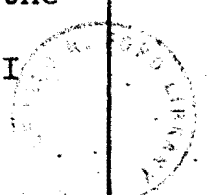
19 Mrs. Abzug. Could his name be Mr. Loomis?

20 Mr. Algie. Yes, possibly.

21 The name sounds familiar.

22 Mrs. Abzug. What did they do? How did they introduce,
23 themselves to you and how did you get to meet them?

24 Mr. Algie. I met them the first time -- it was not the
25 first time that I was down in New York, but it was after I



1 was down in New York for awhile: I was introduced to Mr.
2 Craig by the immediate preceeding manager of the office at
3 that time.

4 Mrs. Abzug. Who was that?

5 Mr. Algie. That was a Mr. Wall.

6 Mrs. Abzug. Mr. who?

7 Mr. Algie. Mr. Wall.

8 Mrs. Abzug. What is his first name?

9 Mr. Algie. Robert.

10 Mrs. Abzug. Is he there now?

11 Mr. Algie. Yes.

12 Mrs. Abzug. Still employed by the company?

13 Mr. Algie. Yes.

14 Mrs. Abzug. To your knowledge, where is he employed?

15 Mr. Algie. He is employed by the company as a traffic
16 supervisor.

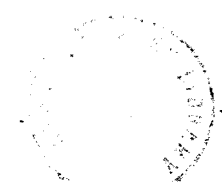
17 Mrs. Abzug. He introduced you to Mr. Craig.

18 What did he tell you when he introduced you to him?

19 Mr. Algie. He advised me at the time that he was an
20 FBI agent and that he would occasionally come in and make a
21 request for messages.

22 Mrs. Abzug. Requests of you?

23 Mr. Algie. He didn't come in and actually make the re-
24 quest of me - ever. But it was an operating procedure that
25 was in effect.



1 Mrs. Abzug. What was the logistics of this operating
2 procedure? What happened when Mr. Craig came in?

3 Mr. Algie. At the time that I came down to the office,
4 we were right in the middle of moving to a new building.

5 The actual layout of the older building, I had very little
6 knowledge of. I operated mostly in the newer section with
7 the move of all of the new equipment going up into the new
8 building.

9 Mrs. Abzug. Were certain communications supplied to Mr.
10 Craig?

11 Mr. Algie. To Mr. Craig, personally?

12 I don't believe so.

13 Mrs. Abzug. You said that he came in and picked up
14 messages.

15 Mr. Algie. No, I was advised that he was going to come
16 in.

17 Mrs. Abzug. Well, then who were the messages given to,
18 if it wasn't to Mr. Craig?

19 Mr. Algie. The messages were apparently picked up at
20 early morning hours. I had never met whoever possibly came
21 for them.

22 Mrs. Abzug. Which you what?

23 Mr. Algie. I had never met - apparently - him.

24 Mrs. Abzug. At the early hours?

25 Who was it that used to come in?

1 Mr. Algie. I don't know. I have no idea what his name
2 was or who he was.

3 Mrs. Abzug. You were the operations manager, were you
4 not?

5 Mr. Algie. Yes.

6 Mrs. Abzug. And you don't know anything about this
7 operation?

8 Mr. Algie. No, I say --

9 Mrs. Abzug. You have an interesting operation here.

10 Mr. Algie. I said that I didn't know the man who came in.

11 Mrs. Abzug. You didn't know him by his name.

12 How often did he come in - everyday?

13 Mr. Algie. Yes, apparently, according to the way that
14 I understood it.

15 Mrs. Abzug. He came in everyday, and you don't know his
16 name, right?

17 Mr. Algie. Right.

18 Mrs. Abzug. You never asked this man his name?

19 Mr. Algie. I never met the man.

20 Mrs. Abzug. What time did he come in in the morning?

1 Mr. Algie. My understanding is that it was somewhere
2 around three o'clock in the morning.

3 Mrs. Abzug. I see.

Who would know his name?

Mr. Algie. An operator who would have been on at that

1 particular time.

2 Mrs. Abzug. Any operator?

3 Mr. Algie. They rotate.

4 Mrs. Abzug. Were you in charge of the operation?

5 Mr. Algie. Yes.

6 Mrs. Abzug. Well, then what were your instructions to
7 the operators?

8 Mr. Algie. My instructions to the operator -- I had no
9 instructions for the operator at the time.

10 As I mentioned --

11 Mrs. Abzug. Did you have any idea as to the operation?

12 What did the operator give to this man who came at three
13 o'clock in the morning?

14 Mr. Algie. The traffic that was used or passed for the
15 previous day.

16 Mrs. Abzug. All the traffic?

17 Mr. Algie. Yes.

18 My understanding is that it was all of it. I was not
19 there.

20 Mrs. Abzug. I understand.

21 Your understanding is that it was all of the traffic.

22 Just exactly how would that work? What does "all the
23 traffic" mean?

24 Mr. Algie. Messagegram; cablegrams.

25 Mrs. Abzug. All the cables that came in from what hour

1 to what hour?

2 They were given to this little man at three o'clock in
3 the morning - from what hour to what hour?

4 Mr. Algie. Communications-wise, it would start from
5 0001 to 2359.

6 Mrs. Abzug. I see.

7 So, he got all the messages for that day?

8 Mr. Algie. Yes.

9 That is my understanding.

10 Mrs. Abzug. Were the messages ever returned, and if so,
11 when?

12 Mr. Algie. They never left the premises.

13 Mrs. Abzug. Oh, what happened then?

14 Mr. Algie. They were copied.

15 Mrs. Abzug. He made copies?

16 How did he do that?

17 Mr. Algie. He had a copy machine.

18 Mrs. Abzug. He had his own little carrying copy machine?

19 Mr. Algie. No.

20 Mrs. Abzug. Where was the copy machine?

21 Mr. Algie. Down in the basement.

22 Mrs. Abzug. Oh, there was a copy machine in the house?

23 Mr. Algie. Yes.

24 Mrs. Abzug. That he used?

25 Mr. Algie. Yes.

1 Mrs. Abzug. And made copies of all the cables that
2 came in?

3 Mr. Algie. I don't know what messages that he copied.

4 Mrs. Abzug. You said all of them.

5 He was given all of them, excuse me.

6 Mr. Algie. Right.

7 Mrs. Abzug. Now, all of them, means all of them, right?

8 Mr. Algie. All cablegrams.

9 Mrs. Abzug. Yes, all cablegrams that came in - every
10 one of them.

11 Mr. Algie. Yes.

12 Mrs. Abzug. They had come in from all --

13 Mr. Algie. Not come in - the cablegrams that were going
14 out.

15 Mrs. Abzug. I beg your pardon - going out.

16 What about coming in?

17 Mr. Algie. No copies.

18 Mrs. Abzug. Just those that were going out?

19 Mr. Algie. Outbound traffic, yes.

20 Mrs. Abzug. What other traffic - other than cables -
21 passed through this office?

22 Mr. Algie. We have Telex, police facilities.

23 Mrs. Abzug. What about the Telex?

24 Mr. Algie. What about the Telex?

25 Mrs. Abzug. What about the Telex messages that were

1 going out?

2 Mr. Algie. There is no copy kept of the Telex message.

3 Mrs. Abzug. Were there recordings kept of it?

4 Mr. Algie. In our office there were no recordings kept
5 of the Telex messages.

6 Mrs. Abzug. Is there any?

7 Mr. Algie. There are recordings kept of Telex messages
8 as far as timing purposes are concerned. This is for billing
9 purposes.

10 In other words, there is the start of the message and
11 the end of the message - for billing purposes.

12 Mrs. Abzug. Were there ever any Telex recordings or
13 other information concerning Telex requested or turned over
14 to any persons described or persons not yet described?

15 Mr. Algie. Other information, yes.

16 Mrs. Abzug. What is the other information?

17 Mr. Algie. The local loop number.

18 Mrs. Abzug. The local loop?

19 Mr. Algie. The local telephone line.

20 Mrs. Abzug. The Telex line?

21 Mr. Algie. The local Telex line, yes.

22 Mrs. Abzug. What does that mean?

23 Mr. Algie. That is the line running from the local
24 telephone company between our office and the subscriber's
25 office.

1 Mrs. Abzug. And to whom was that supplied?

2 Mr. Algie. To Mr. Craig.

3 Mrs. Abzug. All?

4 Mr. Algie. Not all.

5 Mrs. Abzug. How was that determined, that is, as to
6 what was supplied to him?

7 Mr. Algie. He requested a particular --

8 Mrs. Abzug. He would ask for particular numbers?

9 Mr. Algie. Not a particular number - a particular sub-
10 scribe.

11 Mrs. Abzug. You just told me that you would give him
12 the loop numbers.

13 Mr. Algie. Right; then I would give him the numbers, yes.
14 He didn't know what the number was until he asked for it.

15 Mrs. Abzug. Did you check whom these people were from
16 whom they were asking loop numbers?

17 Mr. Algie. When I was introduced to Mr. Craig, I
18 checked his credentials as to what --

19 Mrs. Abzug. You checked his credentials?

20 Mr. Algie. Yes.

21 Mrs. Abzug. But when he asked you for a loop number of
22 a subscriber --

23 Mr. Algie. He asked for a subscriber by name.

24 Mrs. Abzug. And, you never questioned who that was - you
25 just gave him the loop number?

1 Mr. Algie. When I say by name, it is not a personal
2 name - it would have been associates of a particular type of
3 subscriber.

4 Mrs. Abzug. Persons, though, in addition to companies?

5 Mr. Algie. No.

6 Mrs. Abzug. Governments?

7 Mr. Algie. Governments.

8 Mrs. Abzug. No companies?

9 Mr. Algie. No.

10 Mrs. Abzug. No individuals?

11 Mr. Algie. No.

12 Mrs. Abzug. Ever?

13 Mr. Algie. Not to my knowledge.

14 Mrs. Abzug. You just said "persons associated with."

15 Mr. Algie. No, it wasn't a person that he asked for;
16 he asked by a particular subscriber.

17 Mrs. Abzug. And all of the subscribers were governments?

18 Mr. Algie. Yes; to my knowledge.

19 Mrs. Abzug. Over how long a period did this take place?

20 Mr. Algie. I only have knowledge from mid-1973 through
21 1975 - up until May, 1975.

22 Mrs. Abzug. Are you familiar with section 605 of the
23 Federal Communications Act, prohibiting the disclosure of
24 communications?

25 Mr. Algie. I am now.

1 Mrs. Abzug. You weren't before?

2 Mr. Algie. At that particular time, no.

3 Mrs. Abzug. There was testimony right here that all
4 of the employees were supposed to have been handed this section
5 605 to read.

6 Mr. Algie. I probably read it eighteen years ago.

7 Mrs. Abzug. I see.

8 Prior to supplying communications information, were you
9 ever presented with a warrant or a court order?

10 Mr. Algie. Excuse me?

11 Mrs. Abzug. Did anybody like Mr. Craig, or anybody else,
12 prior to getting communications - whether, all of the cables
13 or loop numbers - ever present you with a warrant or a court
14 order?

15 Mr. Algie. No.

16 Mrs. Abzug. Under whose orders did you act in making
17 available, to these Federal intelligence agencies, these
18 messages?

19 Mr. Algie. I acted on the proposition that it was
20 standard operating procedure.

21 Mrs. Abzug. And that it was legal?

22 Mr. Algie. Yes.

23 Mrs. Abzug. Did you ever make a report to your super-
24 visors or superiors about this?

25 Mr. Algie. No.

35
1 Mrs. Abzug. Nobody ever asked you about this?

2 Mr. Algie. No.

3 Mrs. Abzug. At any time?

4 Mr. Algie. Not until the story broke in the papers.

5 Mrs. Abzug. Then, who asked you about it?

6 Mr. Algie. Then, counsel.

7 Mrs. Abzug. Who?

8 Mr. Algie. Mr. McKay.

9 Mrs. Abzug. Mr. McKay?

10 Mr. Algie. Yes.

11 Mrs. Abzug. Anybody else?

12 Nobody in the company ever said a word to you?

13 Mr. Algie. Mr. DeRosa; together with Mr. McKay.

14 Mrs. Abzug. Did they ask you to give them an account
15 of what the process really was?

16 Mr. Algie. To the best of my knowledge, yes.

17 Mrs. Abzug. Did you give them that account?

18 Mr. Algie. As far as I knew, yes.

19 Mrs. Abzug. How did you give it to them?

20 Mr. Algie. Basically the way that I am telling it to
21 you right now.

22 Mrs. Abzug. You told it to them?

23 Mr. Algie. Right.

24 Mrs. Abzug. Did you ever write anything about it?

25 Mr. Algie. No.

1 Mrs. Abzug. When did you tell it to them?

2 Mr. Algie. Very shortly after the story broke in the
3 papers.

4 Mrs. Abzug. Do you have any idea as to when that was?
5 What month? What day? What week?

6 Mr. Algie. Not really.

7 Mrs. Abzug. Well, give me an idea.

8 Mr. Algie. I would say that it was very shortly after
9 the story broke.

10 Mrs. Abzug. When Mr. Craig came and took all of those
11 messages and brought them down to the copy machine, how did
12 you know that he brought --

13 Mr. Algie. I didn't say that Mr. Craig took those
14 messages.

15 Mrs. Abzug. That other person - I am sorry - at three
16 o'clock in the morning.

17 We will have to establish the relationship between that
18 man and Mr. Craig.

19 When that Mr. Three O'clock In The Morning came, you
20 don't know who that was, right? You never asked?

21 It was part of your operations.

22 How do you know what he did with it, that is, the cables?

23 Mr. Algie. I don't know what he actually did.

24 Mrs. Abzug. Who was in charge of finding out whether the
25 people, who gave you cables, were going to have their cables

1 sent?

2 You have a responsibility under the law, which you as
3 Operations Manager have to carry forward.

4 A little man came in at three o'clock in the morning,
5 took these cables, went downstairs, made copies - who was in
6 charge of making certain that those cables were returned and
7 sent to the receiver?

8 Mr. Algie. The cables were already sent to the receiver.

9 Mrs. Abzug. I see; he just got copies after they were
10 sent?

11 Mr. Algie. Yes.

12 Mrs. Abzug. Are you sure of that?

13 Mr. Algie. Am I sure that they were sent to the receiver?

14 Mrs. Abzug. Yes.

15 Mr. Algie. Under normal operations, I would say yes;
16 I would probably --

17 Mrs. Abzug. You don't know of any instances in which
18 he might have gotten them before they were sent?

19 Mr. Algie. No, not that I know of.

20 Mrs. Abzug. How can you prove that?

21 Mr. Algie. I don't know how I can prove it.

22 Mrs. Abzug. Then, what are you talking about? Who has
23 told you this? On what basis do you make these statements?

24 Mr. Algie. A majority of our traffic is passed during
25 daytime hours, at the time that I am there.

1 Mrs. Abzug. But there is some traffic passed during
2 other hours, is there not?

3 Mr. Algie. At later hours, yes.

4 Mrs. Abzug. What about that?

5 When you are there, what did you do concerning this
6 operation? When you were there, what did you do?

7 Mr. Algie. Concerning what operation?

8 Mrs. Abzug. You say that nothing took place while you
9 were there during the day. It all took place at three o'clock
10 in the morning by a little man who came in when you weren't
11 there.

12 Then you tried to testify that you were sure that nothing
13 was picked up before the messages were sent.

14 I asked you how you knew, and you then said that most of
15 the operation took place when you were there.

16 I then asked you further and you said, "Yes, other
17 messages could have come" when you were not there.

18 That is the stage of your testimony. I am asking you a
19 very simple question: What happened at three in the morning,
20 and who was in charge of that to make sure that the people, who
21 gave the trust of their messages to be sent to a person,
22 received it without somebody taking their messages and seeing
23 to it that they were not sent? What were you doing about that
24 operation to make sure that it was operating?

25 Mr. Algie. The messages are numbered consecutively, at

1 the start of the day until the end of the day.

2 At the end of the day the messages are kept in abeyance
3 for one day and then mailed up to New York for record-keeping
4 purposes.

5 The numbers have to be completely, that is, they have to
6 be all accounted for. In other words, if I show that I sent
7 out fifty messages, I must send up fifty messages for
8 accounting purposes.

9 Mrs. Abzug. Did you ever determine from what agency this
10 man came - the man at three o'clock in the morning?

11 Mr. Algie. Personally I never met him. I have never
12 seen his identification. I was advised, like I said, from
13 the preceeding operations manager that the operation was in
14 effect.

15 Mrs. Abzug. You never asked who this person was or
16 anything like that?

17 Mr. Algie. No.

18 Mrs. Abzug. Do you think that Mr. McKay or Mr. DeRosa
19 know who the identity of this man is?

20 Mr. Algie. I don't know.

21 Mrs. Abzug. Somebody did know - who in the company would
22 know?

23 Mr. Algie. The operator would be the man who actually
24 came in contact with him.

25 Mrs. Abzug. Who would that operator be?

1 Mr. Algie. It could be any number of operators.

2 They go around the clock.

3 Mrs. Abzug. How many?

4 Mr. Algie. The total operators that I have in my office
5 now are nine operators.

6 Mrs. Abzug. Well, will you supply for this Committee
7 the names of the operators and their addresses?

8 (Material to be supplied follows:)

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1 Mrs. Abzug. This meeting will have to be in recess.
2 We will have to go to the Floor.

3 I will call all of the witnesses back to appear again
4 and continue this hearing on Wednesday, March 10, at 10:00 a.m.

5 Mr. McCloskey. I hesitate to interrupt, but before we
6 recess the hearing I would like to say this.

7 We received information under subpoena duces tecum.

8 Will that be retained by the Committee?

9 Mrs. Abzug. That material that we received is retained
10 by the Committee at this time, yes.

11 Mr. McCloskey. It is not being inserted for publication
12 in the record of the Committee hearings? "

13 Mrs. Abzug. Not at this time, Mr. McCloskey.

14 Mr. McCloskey. I just want to make the point, Madame
15 Chairwoman. I don't think that we should insert it into the
16 record of the Committee hearing.

17 I don't know whether we vote on that or --

18 Mrs. Abzug. I think that we will have a discussion of
19 that in the Committee --

20 Mr. McCloskey. Will we have a closed session?

21 Mrs. Abzug. We will have a discussion of this in what-
22 ever appropriate form is necessary.

23 At this moment I am recessing the hearings in connection
24 with these witnesses.

25 Mr. McCloskey. As long as we have the understanding

1 that that will not be published or made public until the
2 Committee has the opportunity to discuss and vote on it.

3 • Do I have that assurance?

4 Mrs. Abzug. We will operate in due course.

5 Mr. McCloskey. Madame Chairwoman, I would like to insert
6 in the record at this point the letter to the Chairwoman
7 from the General Counsel of the Department of Defense, dated
8 March 3, 1976.

9 May that be put in the record at this point?

10 Mrs. Abzug. I have not read it yet.

11 Mr. McCloskey. It is dated March third.

12 The reason I brought the subject up was because I have
13 the Chairwoman's opening statement that the Attorney General
14 and the Director of the NSA have refused to come before the
15 Subcommittee to explain any concerns that they had.

16 As I read this letter from the General Counsel of the
17 Department of Defense, they are not only willing to come up
18 to explain to the Subcommittee any concerns that they had;
19 but they have, on two meetings - is that correct?

20 Have there been meetings with the Department of Defense
21 people?

22 Mrs. Abzug. The staff has been discussing various things

23 But this is really nothing related to what we are doing
24 at this time.

25 I did not read this letter. This hearing had a very

1 specific scope. We have heard these witnesses. We have not
2 concluded.

3 Mr. McCloskey. Madame Chairwoman, I understand that.

4 I have asked permission to insert into the record a
5 letter.

6 Mrs. Abzug. I haven't read the letter as yet. I will
7 have to read it.

8 Mr. McCloskey. I want to point out to the Chairwoman
9 that the letter is inconsistent with the statement that the
10 Chairwoman made.

11 Mrs. Abzug. There is no inconsistency.

12 The original statement was that between October and
13 these hearings, there have been several written communications
14 inviting the Attorney General and General Allen to come here.

15 They saw no need to do so at the time.

16 If they have now changed their minds, then this will be
17 a matter of future scheduling before this Subcommittee.

18 Mr. McCloskey. Madame Chairwoman, I refer to the state-
19 ment --

20 Mrs. Abzug. There is no inconsistency.

21 Mr. McCloskey. If I may continue, Madame Chairwoman,
22 I have sat through these hearings all day today.

23 The Chairwoman stated at the commencement of this hearing
24 that formal requests were made on several occasions for the
25 appearance of the Attorney General Levi and General Allen,

1 Director of the NSA, to afford them the opportunity to explain
2 to the Subcommittee any concerns they had.

3 None of these invitations was accepted.

4 Now if I may read for the record --

5 Mrs. Abzug. No.

6 Mr. McCloskey. I have been recognized, Madame Chairwoman.

7 I would like to read into the record this letter. It
8 is from the General Counsel of the Department of Defense,
9 dated March 3, 1976.

10 "Honorable Bella S. Abzug, Chairwoman, Government Infor-
11 mation and Individual Rights Subcommittee, Committee on
12 Government Operations.

13 "Dear Chairwoman Abzug,

14 "This letter is intended to supplement two earlier letters
15 from Deputy Secretary Clements to you, dated 18 February, 1976
16 and 23 February, 1976 respectively.

17 "We wish by this letter to reconfirm to you and to the
18 members of your Committee the willingness of the officials of
19 this Department and of the National Security Agency to cooperate
20 in every appropriate way to satisfy your Committee's require-
21 ments for documents in testimony as they affect the activities
22 of United States citizens.

23 "As you know, during the past two days, representatives
24 of this Department, the National Security Agency, the Depart-
25 ment of Justice, and the Federal Bureau of Investigation met

1 with several of your Committee staff on two separate occasions
2 to discuss in detail a list of topics and information --

3 Mrs. Abzug. Will the gentleman yield?

4 Mr. McCloskey. I will yield, but I would like to con-
5 tinue reading this into the record because this is inconsis-
6 tent with the Chairwoman's statement earlier today.

7 Mrs. Abzug. If the gentleman will yield, I will explain
8 it to him.

9 Number one: If you will read my opening statement of
10 today, I do not refer to the fact that General Allen and
11 Attorney General Levi were invited.

12 I did refer to that in my last opening statement of last
13 week.

14 As of today --

15 Mr. McCloskey. I am referring to the opening statement
16 of March 3, 1976. It is page two.

17 Mrs. Abzug. It did not say that the Attorney General --

18 Mr. McCloskey. It is the bottom of page two. This was
19 in my file when I appeared today.

20 Mrs. Abzug. Let me make it very clear.

21 As of today - and this was not in my statement - and as
22 of last week I made very clear that the Attorney General and
23 General Allen had been invited to appear between October and
24 now. They had been asked in writing to appear, and they had
25 said that they would not appear.

1 As of this morning - and this is a very common technique
2 which we have seen throughout the history of the refusal and
3 the denials and the interference on the part of the Executive
4 Branch with the work of the Congressional Committees - I
5 received a letter as I sat down here.

6 I want you to know very clearly that as of today there
7 had not been any appearance by General Allen and Attorney
8 General Levi. They were invited way back during our first
9 hearings in October.

10 We did receive a letter this morning which I am now
11 reading and which you are reading. They discuss the fact that
12 our staffs have met with each other to talk about what materials
13 might be available, what should be produced - not by the
14 corporations but by the FBI - which is really not the subject
15 of the hearing today.

16 As far as I am concerned, this letter will receive the
17 appropriate consideration by me. Actually, if indeed the
18 Attorney General - I don't think this letter says it, but if
19 it does, then fine - and General Allen wish to discuss anything
20 with this Committee, then, as has been the case since last
21 October, they are more than welcome to do so.

22 The appropriate opportunity will be provided.

23 I want to make that clear to you, Mr. McCloskey, as we
24 made it clear before. We made that invitation three times to
25 General Allen and to Attorney General Levi in writing between

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19 it does, then fine - and General Allen wish to discuss anything
20 with this Committee, then, as has been the case since last
21 October, they are more than welcome to do so.

22 The appropriate opportunity will be provided.

23 I want to make that clear to you, Mr. McCloskey, as we
24 made it clear before. We made that invitation three times to
25 General Allen and to Attorney General Levi in writing between

1 October and our last hearing.

2 This is a very common technique, that is, to send a
3 letter the day that you have a hearing and try to pretend
4 that the Government has been open when the Government has been
5 closed.

6 The fact is that, right at this hearing, the very claim
7 of executive privilege has been falsely and inappropriately
8 made to cover private corporations: these were made a sham
9 and a mockery of by the testimony of Western Union Interna-
10 tional which demonstrated very clearly that the documents
11 which we have requested, as the authorized Committee, have
12 been handled by persons without any kind of security clearance
13 or classification, although in the name of the President of
14 these United States the Attorney General had the audacity to
15 claim executive privilege for unclassified documents, seeking
16 to make a mockery of the Constitution, of the whole Constitu-
17 tion, and the separation of powers, this august body, as well
18 as the body of the Executive.

19 This is the issue that we confront, Mr. McCloskey.

20 If now, they want to come and give us information, then
21 this Committee will receive it. The Government has the obliga-
22 tion to give it, and we have the obligation to receive it; and
23 we will accept it in every way that we can, pursuant to the
24 rules and under the rules of this House, and pursuant to our
25 obligations under the rules of this House.

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1 Mr. McCloskey. Madame Chairwoman, as long as you invoke
2 the rules, the rules entitle every member of the Subcommittee
3 to have access to the same information that is available to
4 other members.

5 Now, I wasn't even advised of the staff meeting with the
6 staff of the Department of Defense people and the staff of
7 the Attorney General.

8 May I respectfully ask that when we have these staff
9 meetings with the Executive Branch agencies or with perspective
10 witnesses, that we be advised so that our staff may also
11 attend?

12 I think that we have wasted a full day here today with
13 witnesses who didn't know the evidence that this Committee is
14 seeking.

15 Ordinarily prior to such a meeting, we would have staff
16 consultation --

17 Mrs. Abzug. Mr. McCloskey, if you will yield, we have
18 listened to your complaints --

19 Mr. McCloskey. I don't yield.

20 I would like to ask a question, if I may.

21 Mrs. Abzug. Well, then I am going to recess these
22 hearings because we are now working in violation of the rules
23 of this House.

24 I have a message that there is a five-minute debate
25 going on. I have to recess these hearings. So, if you would

1 conclude your remarks - which are not relevant but which
2 nonetheless I am very happy to hear - as quickly as possible,
3 then I will be glad to listen to them; but I don't want to
4 have this Subcommittee sitting in violation of the rules of
5 this House.

6 Mr. McCloskey. Madame Chairwoman, before the next
7 meeting - if we are going to recess until March 10 - if there
8 are any staff meetings with the staff of the Executive Branch
9 agencies or with perspective witnesses, may I have your
10 assurance that we will be advised of those meetings so that
11 the rules of the House can be complied with and that our
12 staff can sit in?

13 Mrs. Abzug. The rules of the House are being complied
14 with.

15 Counsel has to be advised. And both the Chairman of
16 the full Committee and the Chairwoman of this Subcommittee
17 have certain prerogatives and the staff does have to operate
18 from time to time without notification to every single member.

19 This is also within the rules of the House.

20 You will be notified. I do want to urge the gentleman
21 to my right not to hold up the recessing of this Subcommittee
22 so that we don't violate the rules of this House any further
23 unless there is something very critical that you have to say.

24 Mr. McCloskey. Thank you.

25 Mrs. Abzug. Do you have something critical to say?

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1 Mr. McCloskey. I have a great deal that is critical to
2 say, but I would say it in closed session.

3 Mrs. Abzug. Do you want to violate the rules of the
4 House?

5 Mr. McCloskey. I would rather say it in closed session.

6 Mrs. Abzug. I will exercise the prerogative of the
7 Chair, not to violate the rules of the House, and I want to
8 remind you and anybody - whether a member of this Subcommittee
9 or a witness before this Subcommittee - that we intend to
10 abide by the rules of this House at all times.

11 This hearing is adjourned.

12 (Whereupon, at 3:40 p.m., the hearing was adjourned.)
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