

collect taxes. From the levying of Federal taxes on State and municipal securities, it will not be far to the levying of taxes on every other form of intangible and tangible property—including real estate.

Here we see presented a part of the general scheme to destroy completely the sovereignty of all our States, to usurp all the powers of government and concentrate them in the hands of the all-powerful bureaucracy here in Washington.

I certainly am opposed to this measure.

## Un-American Activities

### SPEECH

OF

HON. KENT E. KELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

The House had under consideration House Resolution 26, authorizing the Special Committee to Investigate Un-American Activities, appointed under authority of House Resolution 282, Seventy-fifth Congress, to continue its investigations during the Seventy-sixth Congress, and to provide \$150,000 for such investigation.

Mr. KELLER. Mr. Speaker, like most of my colleagues in the Democratic Party, I was too busy in the campaign of last November to pay much attention to the newspaper reports. However, I did hear some repercussions from the Dies committee even during that busy campaign—complaints that the committee was being conducted in such a way as to embarrass Democrats and to assist Republicans. At that time, in fact, it appeared many of the Republicans placed more reliance upon the Dies committee than they did on their own campaign committee.

I had expected possibly the normal change of 25 seats lost by the Democrats—which would have been normal in an off-year election. But when the election was over and 70 seats had been lost I naturally began to inquire the reason for it. Wanting to know the sentiment of my colleagues on this subject, I wrote to each one of the Democratic candidates, both those defeated and those elected, asking them to give me their views of the basic causes for so large a loss on the Democratic side. I was astounded to find the work of the Dies committee as one of the agencies which had contributed largely to this result. I naturally became interested and began investigating, on my own authority, which brought out the fact that most of the membership of the Dies committee itself, with only two exceptions, were also largely busy in their own campaigns for reelection.

I began a careful study of a series of the files of the press covering the entire Dies committee work. These reports pointed out very clearly the character, or lack of it, of the chief investigator for the committee. It developed that before very long the newspapermen themselves made a protest against the retention of Mr. Sullivan as chief investigator, and demanded that the committee in turn investigate its chief investigator. This protest among newspapermen became so strong that after many long weeks of use of Mr. Sullivan the chairman let him out only when the committee funds were exhausted. The character of the committee procedure indicates that Mr. Sullivan was selected and used as the fittest instrument to carry out the purposes of the chairman. I followed this out carefully, investigating thoroughly before I said a word about the entire matter.

I read carefully the report which Mr. Dies submitted to Congress. It is not an honest report. It is not based upon nor supported by the record of the hearings. I therefore went to the hearing records themselves and a careful study of the first volume showed perfectly clearly that there was little, if any, connection between the testimony of the witnesses before that committee and the report which the chairman filed. The reading of this testimony showed clearly that the hearings had been conducted almost entirely by the chairman of that committee, the Honorable Martin Dies;

that it was a one-man investigation and carried on apparently with one principal objective—that of getting publicity for the chairman. Viewed in that light, it was a huge success. But, viewed in the light of the intention of the Congress in creating that committee, it is the most astounding failure imaginable.

It appeared from the press reports that the chairman of the committee had very early rushed to the radio and broadcast charges that can be classed as nothing less than totally unreliable, so far as facts are concerned. Claims and opinions, with nothing in the hearings to back them up, were rampant, intended to create fear and distrust in the minds of the people and discontent over anything which has been done in their behalf during the past few years. The intent of the Congress in passing the original resolution creating this committee is set out perfectly clearly in the resolution itself which I quote:

*Resolved*, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee to be composed of seven Members for the purpose of conducting an investigation of (1) the extent, character, and objects of un-American propaganda activities in the United States, (2) the diffusion within the United States of subversive and un-American propaganda that is instigated from foreign countries or of a domestic origin and attacks the principle of the form of government as guaranteed by our Constitution, and (3) all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

It was indeed to ferret out those subversive activities which in themselves might be informative to the House. Here it might be well to remark that the chairman of the committee in conducting his hearings almost entirely overlooked the intent of the House to receive information which was not already in hand. Instead of following that, the chairman very clearly in the hearings began devoting himself largely to those controversial matters which are entirely well known to the Members of the House, and to use his position as chairman of the committee to attack and injure those departments of Government with which his own ideas were not in sympathy. He attacked the National Labor Relations Commission through the most remarkable chain of unreasoning extant in the CONGRESSIONAL RECORD. The chief economist of the N. L. R. B., David Saposs, as a newspaper reporter some years ago reported a Communist meeting. The sapient chairman of the Dies committee grabbed that report as the opinion of the reporter and denounced him as a Communist. He concluded that because the Board had employed this former newspaper reporter as its economist that therefore the Board itself must be communistic. Of course, the whole Congress knows the history sequences which resulted in the writing of that law. The Congress knows the discussions which have gone on over its decisions. The decisions of the courts upholding the Board's rulings. There was no possible information which Mr. Dies could have imparted to the Congress except that in discussing the N. L. R. B. he stepped out of his prescribed duties in pursuit of his antagonism to labor. The National Labor Relations Act simply sets up an agency to protect the lawful rights of labor. Those only who hate labor attack the agencies which serve labor. Anyone who wants to know the labor record of Mr. DIES as a Member of Congress will find much worth-while information on that subject in the CONGRESSIONAL RECORD of February 9, page 1876, in the extension of remarks of Hon. JOSEPH B. SHANNON, Member of Congress from Missouri.

Broadly speaking, the chairman of the committee made attacks principally on organized labor. If that had been the object of the committee created by the Congress no one would have been surprised at the results, because Mr. DIES' labor record is more spotted than the leopard's skin. From that record there is no difficulty in arriving at the conclusions that his hatred of organized labor, and the rights of labor to organize, especially had from the beginning been his chief antiservice in the House of Representatives. It was not the intention of Congress to delegate to Mr. DIES the authority to attack labor nor the organizations or agencies set up to protect the rights of labor. His accomplishments along this

American farmer may again find a temporary increase in the demand for his products; but even though the American farmer were able to forget the bitter aftermath of wartime expansion and its repercussions, the American farmer does not look to war as a desirable solution to his vexing problem.

So long as my own 77-year-old mother finds it necessary to continue in active management of the home farm in Monroe County, Iowa, because she cannot afford to retire on 14-cent oats, 30-cent corn, and a 59-cent dollar, I cannot be convinced that we have yet found the final solution to the farm problem in America; and until that solution is found, we will have unrest, discontent, and strife among our farmers.

The New Dealer who has boasted for several years that the New Deal administration has completely solved the farm problem should read very thoughtfully the last public address Abraham Lincoln made on April 11, 1865, in Washington when he said, "If you once forfeit the confidence of your fellow citizens, you can never regain their respect and esteem. It is true that you may fool all the people some of the time; you can even fool some of the people all the time; but you can't fool all of the people all the time."

I recall a speaker in my district in the last campaign who in his fervor became slightly tangled in his attempt to give the above quotation and said—very convincingly, nevertheless, "They can fool me once; they might fool me twice; but they cannot fool me all the time because I am some of the people."

The New Dealer who boasts that he has clearly diagnosed the farmers' ills is placed in the position of my doctor friend who, when accosted by the statement of his patient, "Are you sure that I shall recover? I have heard that doctors are sometimes wrong in their diagnoses and have treated patients for pneumonia who afterward died of typhoid fever." "That may be true of some doctors, but when I treat a man for pneumonia, he dies of pneumonia," said the physician.

In Washington I have come to feel much like the Russian peasant who was being shown a powerful radio station. The guide explained:

"The program going into that microphone can be heard all over Europe and the United States."

"Really? How marvelous," explained the visitor. "I would like to speak over that just once."

"Oh, no," said the guide. "That would be impossible."

Whereupon the visitor begged to say just a word. "Well," said the guide, "They are about to change the program. Perhaps they would allow you to speak a word. But mind, now, just one word."

Whereupon the old peasant stepped to the microphone and shouted, "Help."

After observing some of the strategy of the New Deal in operation, I am reminded very much of the car owner who suddenly discovered that he had lost the key to his car, whereupon his wife helpfully replied:

"Well, never mind, dear. It's a fine night—we can ride home in the rumble seat."

I myself have just one burning desire—to tell the departing New Dealers following the death of the New Deal in 1941 just what the executor of the estate for a deceased patient told the doctor. The executor had called to get a statement, and the doctor, on presenting his bill, asked:

"Do you wish to have my bill sworn to?"

"No," replied the executor.

And then he added just what I intend to say at the end of the New Deal in 1941:

"The death of the deceased is sufficient evidence that you attended him professionally."

## Public Salary Tax Act of 1939

### EXTENSION OF REMARKS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

Mr. SMITH of Ohio. Mr. Speaker, this bill provides for just one thing, not two, as it is perhaps intended to make us believe.

Title I authorizes the Federal Government to levy taxes on the incomes of all State and local government employees. It provides also that "the United States hereby consents" to the taxation of the income of Federal employees by the States.

Certainly the presumption is clear in title I that the Federal Government does not now have the right to levy income taxes on State government employees. Otherwise there could not possibly be any reason for writing a law now to grant this right.

Surely, if the Federal Government has the power now to tax the past income of State employees, it also has the power

to tax such income in the future. Therefore, we cannot escape the presumption that there is no law now which permits the Federal Government to levy retroactive income taxes. The real purpose for inserting this retroactive feature is to throw out a sop for necessary votes to pass title I and to furnish Congressmen with a nice alibi to justify their support of the act.

It is very doubtful if this bill could pass if the retroactive feature were not in it. Many here are going to vote for the bill, not because they want to support title I but because they want to vote against allowing the Federal Government to assess taxes against State employees that are retroactive.

If the retroactive feature of this measure were acted on separately, it would, of course, receive the support of every Member of the House.

I think it is very wrong to present legislation to this House drawn up in this manner and containing a proposal such as the retroactive feature. It is not fair to Congressmen, it is not fair to the people.

The bill provides that the Federal Government shall tax the incomes of State employees. Then it reads, "The United States hereby consents to the taxation of compensation" of Federal employees by the States.

In effect, the Federal Government says to the State governments, "I will reach into your pockets. I will 'consent' to let you reach into mine."

The trouble is, this is such a one-sided affair. The State governments have more dollars in their pockets than the Federal Government has in its pocket. But this is not the worst part of this measure.

The States are not being consulted as to whether they want to enter into any arrangement of this sort or not. I believe they should be consulted. It would be only ordinary courtesy to the States.

Especially the 17 States that do not have income-tax laws—in some the State constitutions forbid the levying of income taxes—should be consulted before this bill becomes a law. My own State, Ohio, does not have an income-tax law. What will this law mean to my State? It will mean that our State Legislature will be compelled to pass an income-tax law if we in Ohio wish to take advantage of the "consent" given in this bill to tax Federal employees. The likelihood is, of course, such a law will be passed in Ohio.

A nice question here for voters in my congressional district: Did they send me to Congress to pass State laws, or do they want their State laws taken care of by their State representatives?

If an income-tax law is passed in Ohio, it will mean that all State employees, as well as all persons employed in private industry, will be subject to an income tax by the Federal Government and another by the State government. The argument is being advanced here that only a small percent of State employees will be affected by this act. With the Federal Government spending as it is, it will not be long until the income of practically everyone who earns anything will be subject to direct taxation under the specific Federal Income Tax Acts.

Taxing taxes. The Federal Government taxes the taxes collected by State governments, and vice versa. It is wrong in principle.

But this is not all by any means. The passage of this law will be followed by another to tax the income of State and municipal bonds and other obligations. The proponents of this measure virtually tell us this here today, which will mean all future such securities must bear a higher rate of interest than they bear at present. Which means that every person in this country who earns his living will be directly saddled with more taxes. Which means the wage earners will be tapped for more of their hard-earned funds. No less than 85 percent of all taxes, in the end, are always paid by the wage earners, farmers, and other low-income groups, no matter upon whom or what taxes are levied. This is one part of taxes the politicians would like to keep a secret, and succeed all too well in doing so.

This bill is most vicious in that it is the beginning of the destruction of the sovereign power of the States to levy and

line to the injury of labor, both organized and unorganized, must not therefore be accepted as the attitude of the House of Representatives on that subject. Indeed, the breadth of these attacks, always largely by implication, but sufficiently open to be well understood by anyone who will examine them, is that Mr. DIES attacked the entire New Deal, both in its ideals and its accomplishments. What might have been the source of encouragement along this line I cannot of course say. I think it would perhaps be disclosed if this House were furnished by Chairman DIES with a list of names of persons and organizations who offered him large amounts of money to continue his activities.

If his activities had been deliberately planned to defeat the purpose of the resolution they could not have been more successful.

As to the manner of conducting these hearings, I call your attention to a statement of the first witness before the committee, Mr. John C. Metcalfe. Mr. Metcalfe had been a newspaperman, investigating especially the Nazi German-American Bund in the United States. He had spent some months at this for a well-known Chicago newspaper. He was employed by this committee to continue this investigation. Altogether he spent about a year gathering facts for the use of the committee. The work was well done—done with intelligence and excellent observations. There could hardly have been a better investigator than Metcalfe. His information offered to the committee an opportunity to carry out within a very short time, and at small expense, a thorough-going investigation of the Nazi German-American Bund. He named the leaders; gave their addresses; gave sufficient information to locate exactly each one of the 32 uniformed companies of that organization.

With this information in the hands of the committee, it would have been a very simple matter for the committee to have called in all of the leaders and got from them a first-hand statement of their activities and whatever excuse, if any, they might have had for such an organization on American soil. It would have permitted the subpoenaing of their books and records from which the committee might have learned the names of all the members of this Nazi German-American Bund; what arms they had; what drills they indulged in, where, under whose auspices, and by what authority. It would have enabled the committee to learn and report to the Congress where these uniforms came from; who paid for them; the source of the money; the amount of it, and through their books of accounts the several hundred Nazi conspirators in the United States could have been sufficiently tagged and the light of publicity thrown upon them. Where the law has been broken the heavy hand of justice would have been laid upon them with the proof positive of their participation in whatever crimes had been committed. That altogether would have been very informative to the House, and from all that proof whatever laws, not already on the statute books, required to prevent such activities could easily have been formulated and passed. If the committee had gone at this matter in that way, there would have been nothing but praise for it from any real American.

Chairman DIES failed, neglected, or refused to seize the books, accounts, the records, the uniforms, and other equipment of these shock troops of the bund. Whether this fatally indulgent attitude of the chairman had anything to do with the attendance of Fritz Kuhn, fuhrer of the Nazi German-American Bund, the secretary of the bund, Mr. James Wheeler Hill, Mr. Gustaf Elmer, the national organizer of the bund at a banquet in honor of Hon. MARTIN DIES at the Biltmore Hotel in New York on December 8 is a matter to which the chairman may well address himself.

Perfectly evident, the objective of the very intimate information which Mr. Metcalfe's statement gave, certainly should never have been given out publicly nor ever have appeared in the hearings. It gave immediately the opportunity to the bund to cover its tracks and prevent an effective investigation hereafter. The investigator is not for the purpose of testifying before a committee, but to furnish the committee

with such information as will enable the committee itself to gather and profit by the information which the investigators are paid to secure. This is of primary importance, as anyone will see. Yet this same folly of public announcement of what the investigators have learned was given such wide publicity as permitted of the covering up of the activities of any of these subversive elements in the United States.

The information in the hands of Chairman DIES in relation to communism in the United States was quite as extensive as that in relation to the Nazi bund. It was not so well studied nor so well presented as was that by Mr. Metcalfe, but it was abundant for securing full information about the Communist activities in America—the source of the money for carrying it on; the actual objects of communism, and the organizers in the employ of the Communists in America, if Mr. DIES had really cared to know the facts and had wanted to communicate them to the Congress as that body had designed he should do when he was appointed chairman of this committee. But, as in the case of the Nazi bund, he broadcasted the news to the world which the investigators brought in and did nothing to secure specific evidence that could be of any use to the Congress.

The committee met and organized and arranged a proper procedure to be carried out in the absence of those members who were of necessity engaged in a political campaign. This provided that the hearings should all be in executive session until the testimony offered was carefully studied, and only that part of it which is applicable to the intention of the resolution should go into the record at all. Every other investigating committee of the House or Senate have always of necessity carried on their investigations through this method, for two perfectly evident reasons: First, to prevent injury to innocent persons whom irresponsible witnesses might through some ulterior motive be tempted to abuse. This is especially applicable to the present investigation because it involves the individual rights of American citizens. Secondly, secrecy was necessary to prevent guilty parties from being forewarned what the committee is really driving at. Both of these have been thrown to the four winds by the chairman of this committee. He proceeded through investigators of his committee to forewarn the very organizations and individuals which ought to have been brought to book, permitting them to cover up any of their erstwhile tracks. Also, it permitted base motives to smear many of the leading citizens of this country, without notice of any charge, without opportunity of answering. This statement is made broadly because while the hearings were being conducted the chairman many times said that anyone who wanted to be heard could be heard. But there were several hundred American citizens who had no possible way of knowing they had been smeared personally or through organizations with which they might have been working for the benefit of the country until the hearings came out. The claim, therefore, that people had an opportunity to be heard individually falls to the ground completely. I here refer anyone who may be interested in this subject to the remarks of the Honorable A. J. SABATH in the CONGRESSIONAL RECORD of Thursday, February 2, page 1553.

As soon as names and organizations of people began to appear through the volumes of the hearings hundreds of protests were sent to Members of Congress—men and women who did not know they had been smeared by being referred to as Communists or "reds," or some other un-American appellation, and therefore did not have an opportunity to face their accusers and defend their good name and reputation. After such miserable treatment as that, it is quite questionable whether any American who had once been smeared would be willing to submit himself to a hearing before a committee which had permitted him to be smeared clandestinely. Justice should not permit such miscarriages.

As a matter of convenience, after the proper method of procedure in executive session had been agreed upon by all the members of the committee, Hon. JOHN J. DEMPSEY, a Member of Congress from New Mexico, an able, careful, conservative lawyer, was to look especially after the Southwest,

including New Mexico, Arizona, and California. The chief inspector, Eddie Sullivan, was sent out ahead of him to California. After a short time Mr. DEMPSEY met Mr. Sullivan in Los Angeles, and after a very brief conversation was so thoroughly convinced himself that Sullivan had no possible place as an investigator that he dismissed him from his service and wired the chairman to pay absolutely no heed to any report Mr. Sullivan should make. Nevertheless, out of California came one of the most vicious pieces of supposed evidence that is contained in all of the hearings. I refer to the thoroughly infamous Shepherd Knowles, erstwhile secretary of the Associated Farmers, whose vice president, Phillip Bancroft, resigned to run for the United States Senate from California. It was in his special service that Knowles delivered his testimony of some hundreds of pages before the Dies committee. It is necessary to note that the Associated Farmers is not only not a farmers' organization at all but an organization of crooked big business acting under the guise of "Associated Farmers." It is the very antithesis of the New Deal and everything which the New Deal stands for. Later it was learned that the chief conspirator in behalf of this work, Colonel Sanborn, had written all this testimony for Knowles. When certain letters were discovered connecting Knowles up with some of the most infamous acts of espionage and persecution in the history of California, subpoenas were issued for him by another Government agency, but he had already "taken to the woods." He was only contacted after he had gone into the desert, grown whiskers, and put on colored glasses to cover his identity and prevent service by another Government agency.

During a very hard political campaign in California this statement of Knowles was broadcast and used for political purposes against the Democrats and for the Republicans. One of the claims that Knowles set forth was that he represented the Legion of California. This was denied by the Legion officers but no note of this was made in the hearings of the Dies committee. It was and still is held out as being a bona fide statement of a disinterested witness, notwithstanding the fact that a few questions by the chairman would have brought out the desolating facts back of it all. That this propaganda changed many votes in California there is no doubt, because there is one thing that the American people very properly resent, and that is interference in their governmental affairs along every line.

Another piece of political activity on the part of the Dies committee was in relation to the election in the State of Minnesota. Mr. Gehen, one of the Republican campaign managers, came to Mr. DIES at Detroit and secured six subpoenas. He returned to Minnesota, gathered up six stooges, one at least a mental defective, all ardent Republicans, and brought them to Washington and presented their remarkable testimony, which he had written himself for them on the train from Minnesota to Washington. One of these statements was so well done as a piece of political propaganda that it was published as a campaign document and was broadcast against Governor Benton in the campaign as the work of the Dies committee.

In Michigan the committee hearings were so timed and the testimony so composed as to constitute a vicious attack by every implication possible against one of the cleanest and most effective Governors in the United States, Governor Murphy. Again, if the thing had been thoroughly planned by an astute politician of Republican affiliation, it could not have been more effective against Governor Murphy than the hearings before the Dies committee and the associated implications from these hearings.

That the same effect was exercised to a large degree in Indiana and Ohio there can be little doubt.

When I had become well convinced of the character of this supposed investigation I delivered an address over the radio making the charges that I am making here, citing the character of the chief investigator and a number of the thieves and perjurers whose testimony was taken and published in the hearings in the name of a committee of this House. The substance of this address is to be found on

page 1303 of the CONGRESSIONAL RECORD of January 28. It has not been denied and cannot be refuted. It constitutes a part of the most infamously conducted hearings in the history of our country.

Of course, I knew enough to know that I, too, would be smeared when I raised objection to continuance of Mr. DIES in control of another committee. True to type, and in accordance to method, immediately Mr. DIES pointed out that some conclusions which I had made in my radio address were similar to conclusions which some young Communist had made. The implication, of course, is perfectly plain; the fact that I had not seen, and had never heard of, the pamphlet, of course, cut no figure. But I am not going to be discouraged from telling the truth of a one-man investigation whose ignorance or worse motivated the hearings until the American people are awake to the fact that the first duty of a congressional committee is to protect innocent individuals against injustices. That the greatest abuse which can befall American institutions is to outrage the Bill of Rights, and to deny men the right of notice of accusation against them and the right to be faced by their accusers before they shall be subjected to the ignominy of having their names smeared in a Government publication.

I am herewith submitting three telegrams which passed between the Honorable ARTHUR HEALEY and the Honorable JOHN J. DEMPSEY, members of the committee, jointly to Mr. DIES; the answer of Mr. DIES to Mr. DEMPSEY and Mr. DEMPSEY's reply to Mr. DIES:

LAS CRUCES, N. MEX., October 26, 1938.

HON. MARTIN DIES,

Washington, D. C.:

We the undersigned have communicated with each other by telephone this afternoon. As members of the committee to investigate un-American activities, we request that you defer further meetings of the committee until we can be present after the election and until after the full committee has had an opportunity to meet and consider procedure for a preliminary examination of the testimony to be offered to the committee. We are greatly disturbed by the charges such as those made yesterday by the President himself that procedure has been adopted which has permitted the committee to be improperly used for election purposes, and we particularly deplore the kind of attack that has been permitted upon an outstanding Government servant like Governor Murphy, of Michigan. In a few States, like your State of Texas, there is only one election struggle—in the primary—and only part of the members are free to be in Washington, like you, during the fall campaign. But others of us, in fairness to our constituency and to all nominees of our party, must be in our district during this time. It is obviously unfair to us as members of the committee under these circumstances, particularly after it is under fire, that it should attempt to continue its hearings when we are unable to be present to participate in the determination of proper procedure and take responsibility for its proceedings.

ARTHUR D. HEALEY.  
JOHN J. DEMPSEY.

WASHINGTON, D. C., October 27, 1938.

HON. JOHN J. DEMPSEY,

Lordsbury, N. Mex.:

Acknowledging receipt of your telegram protesting against continuance of hearings until after election, beg to advise that a majority of committee has authorized me to continue the hearings regardless of the approaching election. I know that you are aware of the fact that the expenses and salaries of our investigators and clerks are rapidly exhausting our balance and that it is therefore necessary for us to hear the witnesses as rapidly as possible. But there is a stronger reason than this for the continuance of the hearings. Our committee is an agency of an independent branch of the Government, and any successful attempt to stifle the hearings for political purposes would be most unfortunate. Before I had any idea of what the testimony would develop I announced that hearings would be started and prosecuted as rapidly as possible. The great majority of witnesses who have appeared before the committee were subpoenaed by our investigators, and all of our investigators were recommended by outstanding Democrats. I am and have always been a loyal Democrat, but there are questions much bigger than mere partisanship, and certainly I believe that the question of preserving the fundamental principles of Americanism transcends in importance political expediency. But even from a party standpoint I am convinced that it is better for Democrats to take the initiative and fearlessly expose subversive activities that threaten the very existence of the Republic even if in doing so a few candidates for office on the Democratic ticket are involved. The committee has been eminently fair since the beginning of its hearings. In fact, I know of no other investigating committee which repeatedly offered the opportunity to any person

or organization involved in any charge or attack to appear before the committee and disprove the charge or attack. To my way of thinking, it would be a cowardly thing to postpone hearings until after the election, for to do so would imply that the Democratic Party is unwilling for the people to have the facts when they go to the polls, which I do not think is true so far as the majority of Democrats are concerned; while I have the highest regard for you and would like very much to comply with your request, I cannot do so for the reasons above given.

MARTIN DIES, *Member of Congress.*

LORDSBURG, N. MEX., *October 28, 1938.*

HON. MARTIN DIES, *Chairman,*  
*Committee to Investigate Un-American Activities,*  
*House Office Building, Washington, D. C.*

Retel 27th in answer to the joint telegram signed by the Honorable A. D. HEALEY and myself. When I was last present at an executive session of the committee in Washington the majority of the committee decided that, as a matter of procedure and in order to protect citizens who were being attacked by irresponsible people, making harsh and detrimental statements which could not be substantiated, the committee would conduct hearings in executive session, giving to the public and the press such information as was proved true and coming within the scope of our jurisdiction. You at that time called attention of certain members of the committee to the fact that partisan politics was being injected into the investigation, something that several members of the committee resented. Much valuable evidence has been obtained and great good could result if the committee will proceed along proper lines. You say it would be cowardly to postpone further hearings until the entire committee can be present and all the members can voice their feeling with reference to procedure. I know of nothing more cowardly than to permit wild and irrational statements which have no basis in fact and have only for their end the assassination of characters of men who are outstanding and who both you and I know to be American citizens of the highest type. If this method is to be followed, it can only result in undoing what good the committee has accomplished and finally must result in total repudiation of these investigations. If we are to expect such a continuation I have no other alternative than to ask the Speaker of the House to accept my resignation as a member of the committee and to insist that my name be used no further in connection with the committee's activities.

JOHN J. DEMPSEY.

A careful reading of these telegrams will give proof to every essential fact upon which I am basing this statement, that Mr. DIES made it strictly a one-man committee. Read these telegrams carefully. They tell much of the story, are official, and are certainly unbiased. They are the joint accusations of two high-class lawyers, men of ability and experience. These telegrams were all given to the press at the time, but they need to be repeated here.

Of course, I am aware that the continuation of the Dies committee is going to be voted by this House by an overwhelming majority, one of the principal reasons for which is that the entire Republican side pledged themselves in advance to support the resolution to continue this committee. This is not to be wondered at, because the Republican Party did largely profit by the activities of this committee under the direction of Mr. DIES, and it is natural that such methods, if again employed, may continue to their advantage in the hereafter. Or this \$100,000 which in their estimation may be a Republican campaign fund may burn their fingers.

Many Democrats honestly fearing that they themselves might be suspected of undue influence from subversive American activities will join with them. Many others will say, "What's the use; it is going over, anyway; so let it go." That is the source of the backing which this resolution will receive in the final vote on this subject.

Of the 435 Members of the House, not 20 had studied or even read the first 3 volumes of hearings. And nobody had read the fourth volume because it was not yet off the press. The Rules Committee was willing to, and did, report out a resolution for continuing the Dies committee under such conditions. I asked again and again, "Why hurry? Why the rush? Why not wait until the hearings are all printed and time given for the Members of the House to study those hearings and know what has been done before we were asked for a continuance of this committee?"

When I saw what was likely to be the decision, I put the question frankly to that committee of which Mr. DIES is a member, whether the protagonist of the resolution were afraid to let the House know the facts before voting. There was, of course, no answer to those questions. But the majority of the Rules Committee brought the question onto the

floor of the House under a rule which prevented any Member of the House from offering an amendment to the resolution. I, along with others, should have voted for the resolution if it had provided for nine members instead of the same seven which the original resolution had provided. This would have clearly taken away from Mr. DIES the ability to dominate the committee and make it again a one-man investigation, with the spotlight again playing on the countenance of the chairman. But such an amendment was not permitted to be offered.

What we do not need in the United States is the suspicion, fear, resentment, distrust, dissention, jealousy, prejudice, and disorganization of American public opinion which the Dies procedure has stirred up.

What we do need most is the broadest possible tolerance along all lines. Tolerance of religion; tolerance of race; tolerance of national origin; tolerance of ideals; tolerance of opinions; and, most of all, at the present time we need an all-embracing tolerance of economic proposals. Because here we stand in the presence of six or seven millions of unwillingly idle men and women—idle through no fault of their own, idle because our great democracy has not solved the problem of unemployment. Only through the greatest consideration for one another—the broadest tolerance for the expression of ideas—can we hope to receive and consider the best ideas looking to the solution of this greatest of all problems—that of assuring through government an opportunity for a job for every man and woman who wants to work.

That is a task beyond the individual. It is the problem of the great democratic mass. It must be solved. It will be solved because our American spirit that has taken us out of every difficulty in the last 150 years must be trusted to take us out of the present difficulty.

## Interest on Loans to Veterans

### EXTENSION OF REMARKS

OF

### HON. HERMAN P. EBERHARTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1939*

LETTER FROM MAURICE A. NERNBERG, OF PITTSBURGH, PA.

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from Mr. Maurice A. Nernberg, attorney at law, of Pittsburgh, Pa.:

PITTSBURGH, PA., *February 8, 1939.*

HON. HERMAN P. EBERHARTER,  
*United States House of Representatives, Washington, D. C.*

MY DEAR Mr. EBERHARTER: The United States Government has done more than any other government in behalf of its veterans. Nevertheless, there is in my humble opinion an item that is strikingly important and ought to be acted upon at this session of Congress. This has to do with interest charged veterans on loans on their Government insurance.

An examination of the policies held by the veterans will reveal that a tremendous percentage of these policies are burdened with loans. This condition was particularly brought about through no fault of the veteran and caused solely by the depression. As a consequence a large number of policies have been dropped, and those which are being carried have become increasingly difficult to hold on because of the excessive rates of interest charged by the Government.

The ex-soldiers are forced to pay 6 percent interest on their loans. This is exorbitant, unwarranted, and unjustified. When it is remembered that the Government issues notes and bonds on which it pays as little as 1½ percent interest, when banks pay 2½ percent on savings accounts and threaten to reduce the interest, it becomes impossible to believe that our great Government is deliberately making money out of the plight of the man who wore the uniform.

I believe that you as a Representative ought to thoroughly examine this situation and recommend through the proper channels a cut in interest which will not only be appreciated by the policyholders but also will be found beneficial to the Government itself.

Yours very truly,

MAURICE A. NERNBERG.

## Cost of Labor to Beet-Sugar Producers

### EXTENSION OF REMARKS

OF

### HON. FRED CUMMINGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

STATEMENT OF S. K. WARRICK, OF SCOTTSBLUFF, NEBR.

Mr. CUMMINGS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement of S. K. Warrick, Scottsbluff, Nebr., submitted at Scottsbluff, Nebr., hearing Monday, January 30, 1939:

The witness being first duly sworn, makes the following statements relative to sugar-beet labor used by John and Fred Tripple, of Gering, Nebr., who were the tenants in 1938 on part of the irrigated portion of the witness' farm in section 36, township 21, range 55, Scotts Bluff County, Nebr., and the division of the gross proceeds from the 1938 sugar-beet crop grown on said farm:

Number of acres of sugar beets grown, 49.65.  
 Total net tonnage harvested, 946.8995.  
 Average net tons per acre, 19.07.  
 Average sugar content, 15.6 percent.  
 Average initial price paid by the Great Western Sugar Co., \$4.00 per ton.

Total initial payment from the sugar company.....	\$3,843.99
Government payment as reported by the agricultural conservation committee of Scotts Bluff County, before expense is deducted.....	1,688.88

Total revenue now in sight from the sugar-beet crop.....	5,532.87
Average total payment per ton.....	5.84

Amounts paid for sugar-beet labor:	
Summer work at \$12 per acre.....	595.80
Topping at 0.8628 cent per ton, which was the average rate paid.....	817.09
Total payment to labor.....	1,412.89

Or \$28.46 per acre.

The percentage gross returns paid labor is analyzed below.

Based on initial payment of the Great Western Sugar Co. only:

Topping.....	21.25
Summer work.....	15.5
Total.....	36.75

Percentage paid on company's initial payment, and the Government payment:

Topping.....	14.766
Summer work.....	10.768
Total.....	25.534

Four Mexican beet laborers did all the topping for the Tripple Bros. They commenced topping October 11 and finished November 8. They worked each workday from October 11 to October 31, inclusive, which makes 18 days. They worked November 1 and about half a day on each of November 2 and November 4, and about a full day on November 8, making about 3 full days in November, or a total of 21 days topping the beets. The loss of time in November was caused by stormy weather. In the 21 days they topped 946.8995 tons of beets, or an average of 45.09 tons per day, or an average of 11.27 tons each, per day. The average earned by the four was \$38.90 per day, or an average per man of \$9.72 per day.

The wages earned topping were probably better than \$1 per hour. The witness personally does not have any complaint about the rate of summer wages, if sugar is permitted to seek and retain reasonable price levels, but it is the opinion of the witness that the topping rates are too high and should be changed to 75 cents per net ton up to and including 12 tons, and 65 cents per net ton above 12 tons. Labor will have to accept a material reduction in the contract rate per acre, or sugar-beet producers will have to be paid a higher price per ton for their beets, based on higher-priced seaboard sugar, and a more liberal contract from our processor, the Great Western Sugar Co.

The division of gross income from the 1938 crop grown by John and Fred Tripple, known as Tripple Bros., was as follows:

To John and Fred Tripple, operators.....	49.47%	or \$2,736.76
To the laborers.....	25.53%	or 1,412.89
To S. K. Warrick, landlord.....	25%	or 1,383.22
	100%	5,532.87

The laborers received 14.766 percent, or \$817.19 for 21 days of topping, or 59 percent as much as the landlord received, for the

use of the land, supervision, payment of irrigation water charges, taxes, and the crop risks that the landlord assumes.

Sugar-beet labor cannot expect to make a total year's wages in the short period of time that it takes to tend and harvest a sugar-beet crop. I am in sympathy with labor, and want to see them obtain their fair share of the gross income from the sugar-beet crop; but as stated above, sugar must advance to reasonable levels and maintain those levels or the price of sugar-beet labor must come down.

I would recommend that the summer work for 1939 be fixed at \$12 per acre, and the topping rate at 75 cents per ton, up to and including 12 tons, and 65 cents per ton above 12 tons.

I have given this matter considerable thought, and I believe that this is a fair and equitable division on sugar beets that will produce a revenue of \$7 a ton and up.

## Five Years of Governor Blanton Winship in Puerto Rico

### EXTENSION OF REMARKS

OF

### HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

ADDRESS BY BOLÍVAR PAGÁN, DELIVERED ON THE FIFTH ANNIVERSARY OF THE GOVERNMENT OF WINSHIP

Mr. IGLESIAS. Mr. Speaker, on the occasion of the fifth anniversary of the administration of Governor Winship on Sunday, February 5, there was held at the studios of the WNEL broadcasting station in San Juan an act to commemorate the event. Among the many speakers there were the Honorable Martin Travieso, justice of the supreme court; the Honorable Rafael Martínez Nadal, president of the senate; and the Honorable Bolívar Pagán, vice president of the senate; and representatives of various organizations in the island.

The complete text of the speech delivered by the president of the Socialist Party and vice president of the insular senate, Attorney Bolívar Pagán, for which he has received great general applause from all parts of the island, is as follows:

Dear fellow citizens, dear radio listeners all: The idea of celebrating the fifth anniversary of the administration of Governor Winship was a happy one. A few days ago at a social gathering with friends and when our Governor was being discussed we all agreed about the debt of gratitude that our Government and our people have contracted with the gallant soldier, statesman, gentleman, and citizen, who for the last 5 years, with a firm but smooth hand, with wisdom, tact, elevated public spirit, and even with elegance, has directed the destinies of our island as its chief executive.

With great enthusiasm and joy I welcomed this idea when I was invited to say a few words today in honor of our dear Governor, who has done so much for the welfare and progress of our people. We participate with affection in this act of justice to show our unlimited gratitude for the distinguished citizen who was selected with such striking success by President Roosevelt to be the Governor of Puerto Rico at a time of great difficulties in our island, in our nation, and throughout the world. It is to be regretted that during the limited time that has been allotted to us to address today the invisible audience of the air, we will not be able to make an exhaustive survey of the great work done in Puerto Rico by Governor Winship. As the head of one of the majority parties and as vice president of the insular senate during the entire period of Governor Winship's incumbency, I have had the good fortune and the honor of being in contact with Mr. Winship, and of becoming familiar with the important public events of his administration. It would take us too long, even if we had the necessary time, to render a fair and just reckoning of the fruitful activities undertaken by Mr. Winship as Governor and friend No. 1 of our island and of our people.

During his administration with his wholesome and powerful help and with his decisive and always active and generous cooperation, Puerto Rico has successfully faced numerous economic and social problems; has developed with remarkable success programs of public health, waging war against many endemic diseases which for many years decimated a large proportion of our weak and sick population; in public education our liberal system of the government has provided larger appropriations for increasing more than ever the number of schools, teachers, and the school population; our agriculture has received material help from our government for the protection of its basic products and for greater yield, development, and increment; the industries in general have been promoted and improved. Commerce has attained its peak, considerably increasing its volume. Figures in our statistics show