

# NEW DEAL LINK TO REDS CITED IN DIES REPORT

*My Sun*  
**Committee Split on Charge  
Roosevelt and Aids Help  
Communist Program.**

*Dec 30/38*  
**LIBERALS PUT UNDER FIRE**

**Conclusions Drawn by Chairman  
May Result in Minority  
Submitting Own Findings.**

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Special Dispatch to THE SUN.

The Sun Bureau,  
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A sensational report which charges, by implication at least, that President Roosevelt and the liberals who surround him have aided communists in accomplishing more than half of a program which aims at the establishment of a dictatorship in the United States, has been prepared for submission to Congress by Chairman Martin Dies on behalf of the committee investigating un-American activities, it was learned here today.

The report, vigorously denouncing communist sympathizers who masquerade as liberals in high governmental places, has split wide open the ranks of the seven-man committee which faces extinction at midnight tomorrow and which is now engaged in its final task—the preparation of the account of its stewardship for submission to Congress with an accompanying request for the further extension of its life. The preliminary draft of the report, it was learned, has been prepared by Representative Dies and circulated among the other committee members for their approval.

## Fight Behind Closed Doors.

The fight which is now raging behind the closed doors of the committee room arises from the fact that a liberal interpretation of a part of that report would give the distinct impression that President Roosevelt himself is a communist agent.

A substantial part of the report is devoted to a summary of the factual evidence developed through the past year at committee hearings, and with this section of it there is apparently no important quarrel on the part of any of the committee members, but several pages at the end of the document are devoted to Chairman Dies's own conclusions, and it is these that have caused the storm.

In these conclusions the report declares that communists in the United States are seeking to create and install a "bureaucratic state capitalism" of the kind that is known in Russia as Communism; in Germany as Nazism and in Italy as Fascism, but which in any country is basically and essentially Maxism.

## Listed as Liberals.

These agitators, the report continues, together with their sym-

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# NEW DEAL ASSAILED IN DIES'S REPORT

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thizers, have infiltrated into high governmental offices, where they are not known as communists or even as fellow travelers, but as liberals.

The ultimate aim of these liberals is bound up in a five-point program, the report declares, as follows:

First, to attack the existing economic system and destroy public confidence in it;

Second, to promote the idea that it is the duty of the Government to support the people of the United States;

Third, proposals to regiment agriculture, labor and industry under a planned economy;

Fourth, the abolition of the private ownership of property through the public ownership of basic industries; and,

Fifth, complete dictatorship.

## Sees Three Points Accomplished.

The first three parts of this five-point program, the report asserts, have already been accomplished successfully by the liberals in high governmental office, and it remains only to put the last two phases of the scheme into full effect in order to establish in the United States the bureaucratic state capitalism which is the ultimate communist objective here.

No intelligent reader studying the language of this section of the report could possibly construe it as other than a complete denunciation of the New Deal and the entire Roosevelt administration. The most charitable construction that could be placed upon the language of the document is that it is intended to convey the idea that the President is the innocent dupe of communists and their sympathizers; while readers less kindly disposed toward the administration would find in Representative Dies's conclusions the direct charge that the President and the liberals who surround him are the active agents of Moscow in a plan to overthrow constitutional government in the United States.

Certainly the liberals denounced in the report have been no more active than has President Roosevelt himself in attacking the existing economic system.

## No Line of Demarcation.

In pressing beyond this point to declare that these liberals further aim to destroy private ownership by establishing a public ownership of basic industries, and thus to reach their final goal of realizing a complete dictatorship, the report fails utterly to draw any line of demarcation that would serve to disassociate responsible administration officials from the un-American purposes which it ascribes generally to Washington liberals.

Whether the actual submission of

such a report to Congress would have a more devastating effect upon the New Deal or upon the committee itself is a point which may never be determined because of the almost explosive force with which three New Deal members of the committee have attacked the tentative draft.

Spearhead of the attack is understood to be Representative Jerry Voorhis, young California liberal, who fought bitterly to prevent the continuation of the committee at the last session of Congress and who thus won for himself a place on the investigating body.

## Lists Some Failings.

Recently in a news letter circulated among his constituents, Representative Voorhis praised the committee for what he described as four major accomplishments, and then criticized it under at least as many headings for what he regarded as its mistakes and failings.

The principal argument upon which he and his New Deal colleagues are understood to be basing their plea for the deletion of the contentious "conclusions" of the report is that the committee has never received any evidence of any kind that would prove that any single individual employed in an administrative capacity at Washington has sought to destroy private ownership of property or to establish a dictatorship.

To make such completely unsupported charges in an official report to Congress, they urge, is to discredit completely the work of the committee—to make it a laughing stock of the country, and to destroy entirely the wide public confidence that the committee generally has enjoyed throughout the country.

## Defends Committee Findings.

The anti-New Deal, members of the committee counter with the assertion that the conclusions do not in fact, go beyond the realities of the current situation. There can be no doubt, they insist, from a perusal of the committee record that the Communist party, active agent of the Moscow Government in the United States, does seek to establish a dictatorship and a bureaucratic state capitalism through the five steps outlined in the report.

Neither can their be any doubt, they argue, that the Roosevelt administration has enabled them to take the first three steps in this program, and is demonstrably sympathetic to the fourth—the governmental ownership of basic industries.

Public ownership of electric power, they point out, is a corner stone of New Deal philosophy; nationalization of railroad systems is seriously considered and openly advocated in some New Deal circles; while the war abroad has provided the excuse under which some administrative authorities are suspected of seeking to socialize the aviation industry and allied pursuits essential to the national defense.

That the liberals who are constantly at the President's elbow and whose advice he has repeatedly demonstrated his willingness to follow have aided in the accomplishment of more than three-fifths of the communist program, they insist, is a fact that ought properly to be reported to the Congress by the committee, and they conclude that to go further—to indicate the unmistakable trend toward the communist goal of dictatorship and to warn of the dangers inherent in a further pursuit of this course—is an entirely proper function of the committee.

## Call Plan Blow at Reds.

To which the Voorhis group counters with the declaration that the reason Communism exists in the United States is primarily because unemployment exists and hunger exists in a land of impoverishing surpluses. Any governmental act that will alleviate these sufferings even in part, they argue, is a blow at Communism, not an aid which fosters it.

And so from a mere expose of the Communist party organization and the agencies through which it seeks to operate, the committee finds itself almost hopelessly mired in a quarrel over the fundamental philosophy of the New Deal, from which it may never fully extricate itself.

As yet no formal action has been taken on the report, according to the clerk of the committee. Three members of the group of seven are understood, however, to be earnestly in favor of the existing language of the document; while a fourth is understood to have expressed his willingness to sign it; leaving only a minority of three members to oppose it.

A distinct possibility remains that this minority may win substantial changes in the language of the controversial conclusions, so as to make it clear that the charges leveled in the report at liberals apply only to certain unspecified persons and not to liberals in general or to the President himself.

## Two Reports Possible.

Indications are, however, that unless the conclusions are completely deleted, Chairman Dies will be unable to go before Congress with a report unanimously approved by the committee. Moreover, it appears certain that insistence upon the retention of the conclusions will lead to a minority report which will embody a scathing denunciation of certain of the committee procedural practices.

This minority report would not only impair seriously the prospects of winning another appropriation from Congress for the extension of the life of the committee, but would be seized upon by New Dealers for circulation throughout the country in an effort to discredit the committee's work entirely.

To Chairman Dies and the colleagues who, with him, form the committee majority, the decision is, therefore, an important one indeed.