

STATEMENT OF CONGRESSMAN THOMAS H. ELIOT  
BEFORE THE HOUSE COMMITTEE ON ACCOUNTS  
11 A.M., APRIL 22, 1942

Since the House authorized extension of the so-called Dies Committee on March 11, three occurrences have made it evident that the House cannot wisely appropriate further funds for this Committee.

First, Mr. Dies charged that 35 employees of the Board of Economic Warfare had "subversive" connections, and intimated that they should therefore be dismissed. He named, however, only 10 of them.

In all appointments above the clerical grade, the Civil Service Commission and the F.B.I. make thorough investigations - regardless of whether the appointees are on the Dies Committee or not. In the case of the Board of Economic Warfare, the F.B.I. has completed its investigation of nine of the men named by Mr. Dies. In every case, the F.B.I. report was such that the employee was considered cleared of the charges made by Mr. Dies.

Second, Mr. Dies announced that he would "smash the Nazi spy ring" by holding secret hearings at his home in Jasper, Texas. This fantastic boast has its ridiculous side, but also a serious side. We are at war. A vital part of the war effort is anti-espionage work. That must be done by trained and responsible men and organizations - the F.B.I. and the Intelligence Services. The Dies Committee, on its record, is far from suited for such work and can only cause confusion, impairing the essential efforts of the government agencies which have the real responsibility.

DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC RESEARCH  
WASHINGTON, D. C.  
MAY 11, 1944

Since the above information is being furnished to you for your information, it is requested that you advise this Bureau of any changes in the information furnished to you.

Sincerely,  
Director

Very truly yours,  
Director

Enclosed for you are two copies of the report of the Bureau of Economic Research, dated May 11, 1944, on the subject of the "Economic Outlook for 1944".

The report is being furnished to you for your information and is not to be distributed outside your office.

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Third, the evidence before the special Grand Jury now sitting in Washington and the articles appearing in national magazines and many newspapers, show that the Dies Committee, since Pearl Harbor, has missed every opportunity to expose the real Fifth Column in this country. The article in Life Magazine entitled "Voices of Defeat," for instance, is the kind of report the House had a right to expect the Dies Committee to make.

Instead, the Dies Committee has remained strictly silent about the "vermin press" which follows the Goebbels line. In fact, a large part of that press has gone out of its way to praise the Dies Committee or its chairman. Court Asher, publisher of the pro-Nazi "X-Ray," for example, praises Mr. Dies as "the MacArthur of the home front." Gerald L.K. Smith and the Ku Klux Klan give high praise to the Dies Committee.

Thus we have a Committee which, in the last month, has:

1. Brought false charges against a vital war agency;
2. Injected itself irresponsibly into the desperately serious business of counter-espionage; and
3. Remained silent while others exposed seditious and subversive activities which endanger the national safety.

In fairness to some members of the Committee, the first two of these three mistakes were made without any consultation with the full committee. The charges against the Board of Economic Warfare were made by Mr. Dies, without any Committee discussion or agreement. Likewise Mr. Dies announced his intention to hold hearings in Jasper, Texas, without the members of the Committee knowing anything about it.



In each case, however, it was the Committee's records and the Committee's powers that were the basis of Mr. Dies' statements. And for the failure to do the job it is supposed to do, the Committee itself must be held responsible.

A Committee to investigate the Un-American activities can perform a useful function, especially in time of peace. The work of a former committee, headed by Congressman John W. McCormack, proved that. But Mr. McCormack ran his committee efficiently and responsibly, holding regular meetings, making orderly investigations, and recommending remedial legislation. In sharp contrast, the Dies Committee frequently acts through its chairman without its own members even being notified, makes irresponsible and false accusations, and in four years has never recommended any legislation.

In each case, the Committee has reviewed the records of the individual and the Government's position on the matter. The Committee has also reviewed the records of the individual and the Government's position on the matter.

A Committee has been established to investigate the activities of the individual in question. The Committee has been authorized to conduct such investigations as it may deem necessary.

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