

Walter S. Steele was one of the first "big" witnesses before the Dies committee. His testimony was given during parts of August 16 and 17, 1938. His testimony, with the documents that are appended to it, takes up over 400 pages and constitutes almost half of the first volume of the Dies Committee's hearings, a volume containing the first ten days of testimony.

Steele is a former Chairman of the Republican Central Committee of an Illinois county. In his testimony before the Dies Committee, he identified himself as representing 114 organizations. He said he testified "for the National Republic and as Chairman of the American Coalition Committee on National Security".

His statements before the Dies committee can hardly be called testimony in that nothing he presented was first-hand information. The Dies committee accorded him treatment that, with the probable exception of John P. Frey, no other witness received. Steele's material was printed for hundreds of pages in the committee's record, even though, in many cases, it was not marked as exhibits nor does even authorization for its printing appear.

The American Coalition of Patriotic Societies is a group with which over a hundred so-called "patriotic" organizations are more or less loosely affiliated. These organizations and the Coalition itself are staunchly and to the bitter end anti-New deal, Anti-Roosevelt and illiberal. It is opposed to and has condemned the American Youth Movement. The program of the Coalition, its official actions at its national conventions and the speeches made by its officers and made to it amply prove this.

The last national convention of the Coalition was held in Washington late in January of ¹⁹³⁹ ~~this year~~. Among those who addressed it were Martin Dies, Robert R. Reynolds and Merwin K. Hart. In his speech, Dies criticized the administration for attempting to undermine him, his investigation and his witnesses. Merwin K. Hart, president of the New York State Economic Council, gave

a ringing, pro-fascist, pro-France address. Hart and his organization have been among those most active in fighting the program and accomplishments of the New Deal. In many of his regular press releases, he has recommended industrial anarchy and urged his businessmen subscribers to ignore those New Deal laws they do not like. Hart's association with the American Coalition is, perhaps, as good a demonstration of where the Coalition stands as can be found off-hand.

Among the 114 organizations Stagle told the Dies committee he represented are the American Vigilance Intelligence Federation (headed by Harry A. Jung, of Chicago); the Associated Farmers, of California; and the Better America Federation (Harper Knowles, a subsequent witness before the Dies committee, also claimed to represent the Associated Farmers). The current investigation by the LaFollette Committee is showing exactly what the Associated "Farmers" and the "Better America Federation" are: anti-labor, illiberal groups recommending and practicing violence upon labor and among, perhaps, the strongest anti-administration forces in the West. The American Vigilance Intelligence Federation has a long and impressive history and while it is possible to show connections between Jung and his employees and the Nazis, I believe it more pertinent to refer to a letter written on November 23, 1931, to Jung by the late Honorable Henry T. Rainey, former Speaker of the House of Representatives, ~~is absolutely certain~~ pointing out that Jung is conducting a racket and is a strike-breaker and spy (this letter appears in a volume of hearings before a subcommittee of the Committee on Education and Labor of the United States Senate on S. Res. 266, 74th Congress, second session, on pages 322-3). Jung has also circulated the forgeries known as the protocols of the elders of Zion. He has connections with most, if not all, of the native fascist organizations in this country, particularly with Pelley of the Silver Shirts and Hunter of the so-called "Industrial Defense Association". Further information on Jung can be found in "Secret Armies". He is one of the persons

Walter Steele represented in his testimony. Steele has edited the National Republic, a monthly magazine, since 1925. Shortly after he became its editor, the name was changed from National Republican. The magazine was founded in 1914 in Muncie, Indiana, and has ever since been subsidized by members of the Republican National Committee or by this committee itself. It is now, and has been for some time, published in Washington by the National Republic Printing Company. The magazine is contributed to by wealthy industrialists or illiberal persons and in return schoolteachers and other holders of opinion are sent it regularly, whether they like it or not.

Steele himself has been revealed as an anti-Semite and as a distributor of the protocols (which seemingly are distributed by all the right-wing organizations). He has ^{used} in his magazine matter out of material obtained from Nazi propaganda books; specifically, two books, one entitled "TNT" and the other, "Conflict of Ages". In his magazine he has devoted a full chapter to the "Conflict of Ages", presenting the Nazi proof of the authenticity of the protocols.

Steele himself has solicited money for his magazine and has employed solicitors. I have been told by Thomas Harris, national secretary of the American League for Peace and Democracy, that while he was a clergyman in Philadelphia, Steele approached him and boasted of the extensive espionage system he maintained in the Philadelphia school system for the purpose of spying on teachers. Harris has promised to provide me with an affidavit on this. Among the agents Steele has employed are two named Fahr and Hamilton who, in 1936, were sent to Oklahoma by Steele armed with letters of introduction from many persons, including Martin Dies and a former Ku Klux Klan Senator from Indiana. With the assistance of these letters from Dies, it is reported these men obtained money for Steele from wealthy industrialists.

Spivak, on p. 129 of "Secret Armies", says that James ~~W~~ True works

closely with Steele. True, patentee of a murderous weapon he calls a "kike-killer", a man who planned a pogrom for September 1936, one of the best-known anti-Semites in this country and a salesman of guns to Latin-American revolutionaries, also has connections with all the prominent fascist groups in the country.

Steele has received sizeable payments monthly from the Republican National Committee for many years. I have records of payments to him in 1932, 1936, 1937, 1938 and 1939. My most recent information is as of August 1939. I know, however, that before 1932, Steele was being paid sums of money by the Republican National Committee. These payments to him run up to \$3,926.87 made with check no. 1934 on June 4, 1936. During election year 1936, Steele received \$19,992.78; during election year 1932, he received \$14,869.63; in all, the payments to him of which I have a record total \$43,844.21 with the exception of three payments made in 1932. I also have the check numbers. I am certain that all the payments made to Steele by the Republican National Committee can be obtained.

Steele is not the only illiberal person who has received money from the Republican National Committee. During the 1936 presidential campaign, Harry Jung received over \$100.

Edward Francis Sullivan, self-styled first chief investigator for Dies, was on the payroll of the Republican National Committee from April 1 through July 22, 1936, and received, in less than four months, \$2,415.22 for his services. Sullivan, as you know, is a convicted larcenist and among the most vicious of Jew-baiters and Catholic-baiters in this country. He was at the time of his employment by the Republican National Committee collecting the vicious personal information circulated in fighting President Roosevelt, and in this he worked with James True. His primary preoccupation seems to have been in proving that

all the persons at all connected with the New Deal in positions of prominence were Jews and, therefore, the New Deal should be defeated. His propaganda is well illustrated in the publication of the Knights of the White Camellia for August 15, 1936, pp. 6 through 9.

This could not have been unknown to Congressman Dies at the time of his employment.

If all the prominent persons attacked by the witnesses before the Dies committee, the only one who was ever given an opportunity to take the stand immediately after the person who implicated him left was a John D. M. Hamilton, Chairman of the Republican National Committee (see part 5 of the Dies committee hearings). Hamilton had provided a former labor spy in the employ of a fascist organization, the American Nationalists, with a list of the Republican National Committee members who were to be sent anti-Semitic and anti-CIO material collected by this former labor spy, James E. Campbell. The Dies committee record shows that Hamilton knew Campbell was sending these persons copies of General Moseley's anti-Jewish speeches. He was given an opportunity to take the stand (pp. 5384 ff. of the Dies Committee record) and to say that his contact through Campbell was with Felix McWhirter, an Indianapolis banker whom Campbell had known for several years, "as a finance officer of the Republican organization in Indiana", and to say that the whole thing was with him a "routine" matter. Hamilton also pointed out that "any form of intolerance has been hateful to me."

Further investigation (my investigation of Steele and the National Republic to this point has not been exhaustive) will, I am sure, produce much more information. I would strongly recommend that copies of his magazine and the other printed matter he turns out be carefully examined because I am sure from what I have been told about it that it will reveal very clearly Steele's position and activities.

Congressman Dies has other anti-administration and anti-Roosevelt connections, both personally and in his committee's work; but, because there is now no time, I am not here including this information.

For further information about Walter Steele's activities, especially his connections with anti-Semites, native Fascists such as the Silver Shirts and Nazis, and for the connections and activities of the president of the American Coalition, see the attached letter from the Honorable A. J. Sabath to Steele dated February 13, 1938.