

sides to every question, whereas a politician thinks there are two sides to every office—an inside and an outside.

I know he is not a demagog because he does not concern himself with the art of extracting money from the rich and votes from the poor.

I know he is not a diplomat even though I am informed he always sees to it that you have his way.

I can't say he is a moderate unless I were to apply the definition once given of Cicero—that he is a moderate of the most violent extraction.

I can't say he is tactful because he is severe not only with subordinates but with superiors.

I can't say he is a philosopher simply because he believes that man is like a bicycle and if you don't ride him he falls.

I can't say he is a financier simply because he makes capital from his own and other people's mistakes.

I do know that he is a brilliant economist but I hope for this reason that he understands that knowledge is the only instrument of production which is not subject to the law of diminishing returns. I know he is an elastic thinker for the human mind is like a parachute—it only functions when it is open.

Perhaps I can best describe his function in the terms of an inspired error which a school girl made in her geography class when she was asked to locate Washington, D. C. She said, "Washington, D. C., is hounded on all sides by the United States of America," and it seems to me that Washington, D. C., is hounded on all sides by the Chairman of the Planning Board of the War Production Board whom I now introduce to you, Mr. Robert Roy Nathan.

The President and the Congress

EXTENSION OF REMARKS OF

HON. FRANCIS R. SMITH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 15, 1942

Mr. SMITH of Pennsylvania. Mr. Speaker, on November 3, 1942, the people will elect their Representatives in the Congress of the United States.

The next Congress will not only play a vital part in the winning of the war, but it also will be called upon to write the peace.

A military victory cannot be an end in itself. That was the mistake in the year 1919. The tragedy of America, and, indeed, the probability of this war, began with the Congress of 1919. We found ourselves with a victory, but with a President who could not act, because he had a hostile Congress, and a Congress that repudiated his war aims.

Victory in itself does not mean peace. It can only mean the creation of a state of affairs in which peace can be achieved and maintained. The maintenance of peace must be a continuous process. Peace must forever renew itself. We must be sure that when we have won the victory, we will not have to tell our children that we fought in vain—that we were betrayed by our elected Representatives in the Congress of the United States.

This time the achievements of our fighting forces must not be thrown away by political cynicism, timidity, incompetence, and shortsightedness.

Intelligent judgment must be exercised by the people in the selection of their Congressmen to represent them for the next 2 years, during which time grave decisions must be made to insure a speedy and decisive victory and a just and everlasting peace.

I invite attention to my record in contrast to that of my predecessor in Congress:

MY PREDECESSOR'S RECORD

First. Contrary to the wishes of our military authorities, he voted against the fortification of Guam, which has fallen to Japan because of the failure to fortify this outpost.

Second. He voted against appropriating money to the Army for the purpose of building 1,283 airplanes. It was said, "they are not necessary or essential."

Third. He voted against authorizing the President to construct and operate railroads in Alaska.

Fourth. Voted against the construction of additional facilities in the Panama Canal Zone.

Fifth. Refused to appropriate \$1,000,000 for the development of Fort Knox.

Sixth. Voted to kill an appropriation of \$25,000,000 for the production of aluminum for the manufacture of airplanes. Lt. Gen. William S. Knudsen testified that we needed this aluminum to build airplanes.

Seventh. Voted to prohibit the exportation of arms and ammunition to those countries which are now our Allies.

Eighth. Voted against conscription, which would have left us without an army to defend ourselves.

MY RECORD

Before Pearl Harbor

First. On January 22, 1941, I voted for a bill authorizing additional shipbuilding and ordnance manufacturing facilities for the United States Navy.

Second. On February 8, 1941, I voted for the lease-lend bill.

Third. On March 19, 1941, I voted for an appropriation for the national defense to provide aid to the government of any country whose defense the President deems vital to the defense of the United States.

Fourth. On August 5, 1941, I voted to authorize the President of the United States to requisition property required for the defense of the United States.

Fifth. On October 17, 1941, I voted to repeal the ban on arming American ships, to provide protection for our American boys at sea.

Sixth. On November 28, 1941, I voted to further the national defense and security by checking speculative and excessive price rises, price dislocation, and inflation.

Then came Pearl Harbor—December 7, 1941.

MY RECORD

After Pearl Harbor

Seventh. Voted for all appropriations requested by our military authorities to properly and adequately equip our armed forces.

Eighth. Voted for resolution to investigate acts of sabotage.

Ninth. Voted to increase pay of soldiers, sailors, and marines.

Tenth. Have voted to delegate all necessary authority to the Commander in Chief for the effective conduct of the war.

It is for the people to decide what type of representation they desire in the Congress.

If the isolationist, do-nothing policy of my predecessor is desired, then the people should vote for my opponent.

If the people prefer a vigorous prosecution of the war to bring about a speedy and decisive victory, a peace to guarantee a world of human freedom, a square deal for our boys in the armed forces, the prosecution of the disrupters of national unity and those who spread prejudice, bigotry, and dissension, then I solicit their support.

It is for the people to decide when they cast their vote for their Representative in Congress on November 3, 1942.

The New Republic and the Union for Democratic Action

SPEECH OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 15, 1942

Mr. THOMAS of New Jersey. Mr. Speaker, on May 18 of this year the New Republic magazine, in collaboration with the Union for Democratic Action, issued a special supplement entitled "A Congress To Win the War." This was the keynote of the now famous purge campaign of Members of Congress which the Communists and their dupes sought to bring about. Shortly after the issue of this special supplement the Special Committee on Un-American Activities issued Report No. 2277, which exposed and discredited the phony organization known as the Union for Democratic Action. We all know now that their purge campaign has been a colossal flop, and little is now heard of the Union for Democratic Action, but their coconspirator, the New Republic, is not so faint-hearted and has just issued a supplement to their October 5 issue entitled "A Voter's Handbook." The first section of this sheet describes the debacle the United States would be in in the event of a Republican victory in the coming elections. The last section proceeds to instruct the voters on who to elect in order to win the war.

I think it is pertinent that the purges of this body should know the record of the controlling editors of the New Republic, namely: Messrs. Bruce Bliven, Malcolm Cowley, and George Soule. You will recall that this Malcolm Cowley is the same individual who was discharged from his \$8,000 a year Government position in the Office of Facts and Figures

after the chairman of our committee, Mr. DIES, exposed him as a Communist on the floor of this House on January 15.

Therefore, Mr. Speaker, I ask unanimous consent to include in my remarks a partial list of the Communist affilia-

tions of these three individuals as revealed by the records of the Dies committee:

BRUCE BLIVEN

Communist-front organization	Association of the individual	Authority
American Youth Congress	Member, national advisory committee	Youngville, U. S. A., p. 62.
Demand pardon for German Communists	Signer	Daily Worker, June 17, 1937, p. 2.
Frontier Films	Member, advisory board	Daily Worker, Apr. 6, 1937, p. 9.
International Juridical Association	Signer of statement	Daily Worker, July 25, 1936, p. 2.
International Publishers	Writer	Catalog, p. 12.
New Masses	Contributor	New Masses, Jan. 2, 1934, p. 22.
Nonpartisan Committee for the Reelection of Congressman VITO MARCANTONIO	Member	Letterhead, Oct. 3, 1936.
Protest against ban on Browder	Signer	Daily Worker, Oct. 17, 1936, p. 1.

MALCOLM COWLEY

American Friends of the Soviet Union	Chairman of Lenin meeting	Daily Worker, Jan. 24, 1938, p. 2.
American League Against War and Fascism	Member, national executive committee	Letterhead, Aug. 22, 1935.
American League for Peace and Democracy, New York City Division	Member, advisory board	Letterhead, dated Sept. 22, 1938.
Do	do	Letterhead, Mar. 21, 1939.
American League for Peace and Democracy, Fifth New York City Conference	Indorser	Daily Worker, Mar. 4, 1939, p. 2.
Call for the support of the Communist Party, national elections and its candidates	Signer of call	Daily Worker, Sept. 14, 1932, p. 1, c. 2.
Citizens Committee for Amter	Member	New Masses, Nov. 8, 1938, p. 25.
Committee for I. Amter's candidacy	do	Daily Worker, Oct. 21, 1936, p. 2.
Communist Party	Literary editor	Daily Worker, Nov. 6, 1933, p. 2.
League of Professional Groups	Signer of statement supporting Communist Party	
New Republic	Elections	Letterhead, June 28, 1932.
Friends of the Soviet Union	Contributing editor, Soviet Russia Today	
Frontier Films	Member, advisory board	Daily Worker, Apr. 6, 1937, p. 9.
Gerson supporters	Signer of letter	Daily Worker, Feb. 10, 1938, p. 1.
Golden Book of American Friendship	Signer	Soviet Russia Today, Nov. 1937, p. 79.
International Labor Defense	Sponsor, Christmas drive	Equal Justice, Nov. 1938, p. 4.
League of American Writers	Vice president	Letterhead, July 7, 1939.
League of Professional Groups for Foster and Ford	Member	Culture and the Crisis, p. 32.
Mother Bloor Banquet	Sponsor	Program, Jan. 24, 1936, p. 9.
New York City Conference Against War and Fascism	do	Daily Worker, Jan. 11, 1937, p. 2.
Open letter to President Roosevelt	Signer, protest against attack on right of Communist Party to use ballot.	Daily Worker, July 23, 1940, p. 1, c. 6.
Protest against ban on Browder speech	Signer	Daily Worker, Oct. 17, 1936, p. 1.
Soviet Russia Today	Speaker at discussion at Mecca Temple, Mar. 19, 1937.	New Masses, Mar. 16, 1937, p. 30.
Sunday Worker	Contributor	Daily Worker, Dec. 21, 1935, p. 3.
Third American Writers' Congress	Speaker, general delegates session	Program of the Third American Writers' Congress.

GEORGE SOULE

American Friends of the Soviet Union	Speaker	Daily Worker, Jan. 29, 1938, p. 8.
Do	do	Daily Worker, Feb. 2, 1938, p. 2.
American Youth Congress	Member, national advisory board	Youngville, U. S. A., p. 64.
Congress of Youth	Signer of call	Proceedings, July 1-5, 1935, p. 2.
Demand pardon for German Communists	Signer	Daily Worker, June 17, 1937, p. 2.
Frontier Films	Member, advisory board	Daily Worker, Apr. 6, 1937, p. 9.
International Juridical Association	Signer of statement	Daily Worker, July 25, 1936, p. 2.
International Publishers	Writer; introduction to pamphlet by V. Chermadanov, of the Young Communist League of the Soviet Union.	Daily Worker, Apr. 30, 1936, p. 5.
League of American Writers	Signer of statement	Daily Worker, Sept. 1, 1936, p. 4.
Do	Signer of petition supporting Gerson	Daily Worker, Mar. 10, 1938, p. 1.
New Masses letter to President	Signer	New Masses, Apr. 2, 1940, p. 21.
Soviet Russia Today	Contributor	Soviet Russia Today, Sept. 1936, p. 29.

Pay-As-You-Go Taxation

EXTENSION OF REMARKS

OF

HON. FRANCIS CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 15, 1942

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mr. Beardsley Ruml, chairman of the Federal Reserve Bank of New York:

PAY-AS-YOU-GO TAXATION—THE DANGER IN INCOME-TAX DEBT AND WHAT WE CAN DO TO GET FREE OF IT

(By Beardsley Ruml, chairman, Federal Reserve Bank of New York)

The pay-as-you-go income tax plan has had from the very beginning the hearty support of many officials of State and local governments. These officials see in no uncertain terms the danger that will exist to the financing of their own communities if a load of

Federal income tax debt is permitted to carry on through the war and into the period beyond the war.

Few people realize how much money they owe the Government for income tax. They seem to feel that since they have just paid an instalment on September 15, and since the next payment isn't due until December 15, for the time being at least they are not in debt for income tax. They are wrong. They are in debt now for the instalment still due this year, and, worse, they are in addition in debt for income tax on what they have already earned this year. Under our present system this debt will have to be paid next year whether they then have any income or not.

If they die this amount will be taken from whatever estate they leave. If they lose their jobs there will be a charge against what they have saved. If their earnings are less, the full tax has to be met out of the lower earnings. Nothing can stop the march of the days, and when the due date comes they must pay the tax they owe on the income they have already had. It is a real debt, and practically all income tax payers are actually in debt for about 1 year's full income tax.

The present system is a bad system. It is a dangerous system for all of us, and it should and can be corrected.

Income-tax debt is the meanest kind of debt there is because it only hurts people when they are in trouble. As long as our incomes are the same, or better than they were last year, we can keep on paying that income-tax debt.

But if anything happens to this year's income, the income-tax debt remains and there is trouble. Men are called into the armed services; others go into Government work at lower pay; men and women are displaced from peacetime industry by wartime dislocation—some suffer sickness and accident, others must retire because of advancing years. All of these find that now, with the new high tax rate, their income-tax debt is an intolerable problem, wiping out savings that have been accumulated over the years, and for tens of thousands that have already been injured millions of us are in danger because we are each subject to the same hazards and the same inevitable loss of income.

The sooner the problem is solved, the easier it will be to solve. In 1940 there were 4,048,619 income-tax payers; in 1941 there were 7,645,473; in 1942, 17,688,219. On the 1st of January 1943, under the revenue bill of 1942, there will be 26,900,000 taxpayers in debt to the Federal Government for tax on their 1942 income—an increase of 22,850,000 since 1940.